



Daily Report

China

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Daily Report

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6 September 1989

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Qian Qichen Comments on International Situation

HK0609070189 Beijing SHIJIE ZHISHI in Chinese
No 16, 16 Aug 89 pp 2-3

["An Interview With Foreign Minister Qian Qichen on the Present International Situation"—SHIJIE ZHISHI headline]

[Text] Editor's Note: In January and March of this year, Foreign Minister Qian Qichen was interviewed twice by this magazine's reporters on the new changes in the international situation (See: Issues No 2 and 7 of this magazine). Recently, on the invitation of this magazine, Foreign Minister Qian again talked to our reporters about how to correctly approach the present international situation and issues concerning our country's foreign policy. We rearranged and published his talk as follows: [end editor's note]

To have a correct understanding of the present international situation, it is necessary to relate it to, and comprehensively and broadly understand, the numerous expositions made by the central authorities and Comrade Xiaoping since the second half of last year.

The communique of the meeting held by the Central Political Bureau last December pointed out: The international situation is undergoing an epochal change, and the whole world is moving from confrontation to dialogue, and from tension to detente. The emergence of a new era conducive to safeguarding world peace and promoting development is likely. Meanwhile, various factors leading to unrest and tension have not yet been eliminated. The development of events over the last 6 months has proved that this basic appraisal of the international situation by the central authorities is correct and has stood the test of time.

The epochal change in the international situation has profound historical reasons. Undergoing an evolution lasting for 40 years or more after World War II, the U.S.-Soviet bipolar structure, characterized by the cold war between the East and the West, the confrontation between two major blocs, and the contention between two superpowers for hegemony, has begun to wobble. The tendency toward a multipolar world is developing day by day. The Third World is growing in strength. The status of China, which adheres to socialism and upholds independence, is becoming more and more important in international affairs. Western Europe and Japan, which have risen as economic powers, are demanding a greater political role to play in international affairs. Reform waves have swept socialist countries, smashing the unified socialist model. The internal relations between the East and West blocs are becoming looser day by day. Superpowers have found it more and more difficult to pursue hegemonic politics through bloc efforts.

The postwar events have proved that it is getting more and more unworkable to pursue power politics by relying

exclusively on military strength. With the quality of nuclear weapons improving and their number increasing accumulatively, the United States and the Soviet Union have to acknowledge that nuclear war should not be fought and no one can be a victor in it. The race for and trial of comprehensive national strength between big powers is increasingly intensifying. Many countries are readjusting their policies, shifting their attention to the development of comprehensive national strength with priorities on the economy, as well as on science and technology. All these facts have shown that factors leading to war are diminishing, while factors favoring peace are growing in number. The drive to achieve a long-term peaceful international environment can possibly be realized.

On the other hand, we must also notice that various factors leading to tension and unrest have not yet been eliminated. Hegemonism is still with us, and the contention between the United States and the Soviet Union keeps on going. The arms race between the two superpowers has not yet ceased. The other countries have not relaxed their efforts to boost their defense capabilities. The final solution to the existing regional "hot points" still needs time to be accomplished, and new conflicts could possibly break out. While the development issue currently facing the world has not yet been settled, the contradiction between the North and the South is becoming more and more pronounced. If the development issue is not settled, this will, in the final analysis, be detrimental to the stability of the world. This being the case, the course of detente is tortuous, and opposing hegemonism and safeguarding world peace will remain a long-term task of endeavor.

We must further notice that although the general tendency of the international situation toward detente is conducive to peaceful development, in a relaxed situation, the struggle between different social systems and different ideologies remains sharp and complicated; in certain conditions or a certain climate, it may even become more pronounced and very fierce.

If in the past some people did not have a clear picture of this aspect of the international situation, they should have clearly seen it through the turmoil and counterrevolutionary rebellion which took place in the country. The facts have shown that some forces in Western countries, bearing it in mind to constantly bring socialist countries into the orbit of international capital, thought that the current situation was an "historic opportunity" to encourage socialist countries to evolve peacefully in the direction of capitalism. The present domestic disturbances took place against this international background, or the "major international climate," as Comrade Xiaoping put it. Now many people are concerned about the direction of China's foreign policy. It can be said with certainty that China's independent and peaceful foreign policy is worked out on the basis of a scientific analysis of the international situation. It corresponds to the fundamental interests of our country and will not be changed just because of a single event at a certain time.

Our relations with other countries, whether in the past, at present, or in the future, must be established on the five principles of peaceful coexistence. On this point at issue we will not change. Our country's policy of opening its doors wide on every side in the world, including Western countries, will also not change.

We uphold the five principles of peaceful coexistence. It is only natural for us to persist in mutual respect for other countries' sovereignty and non-interference in each other's internal affairs. These are part and parcel of the five principles and they are universally acknowledged norms of international law. We respect other countries' sovereignty and do not interfere in their internal affairs but on no account do we allow other countries to interfere in our country's internal affairs and infringe upon its sovereignty. We uphold the four cardinal principles which are basic to the foundation of our state. The various principles and policies we are pursuing and the various measures we have adopted, including putting down the counterrevolutionary rebellion in our country, are matters within the limits of our country's sovereignty. We have not encroached on other countries' interests. Countries with different social systems have different concepts of value. This is an objective fact. This difference should be respected, and no country should forcefully impose its own concept of value onto others. At the same time, it is wise for different countries to seek where their common interests, both political and economic, lie and develop relations with each other. Our struggle to safeguard the five principles of peaceful coexistence is an advocacy of building a new order in relations between different states. In the days to come, we will continue to actively develop relations with other countries on the basis of the five principles of peaceful coexistence and continue efforts in opposing hegemonism, safeguarding world peace, and promoting the noble cause of common development.

Interparliamentary Union Considers Censure

Motion Defeated

OW0509063889 Beijing XINHUA in English
0538 GMT 5 Sep 89

[By Xue Yongxing and Wang Shengliang]

[Text] London, September 4 (XINHUA)—A supplementary item on recent events in China was defeated at the first session of the 82nd Inter-Parliamentary Union (IPU) conference here this afternoon.

The item, called "Repression of Peaceful Protests in the People's Republic of China" and submitted by the West German group, was defeated in a vote of 335 in favor, 393 against and 509 abstentions.

Before the vote, a West German delegate spoke against the Chinese Government and insisted on taking a vote on the item.

Fu Hao, leader of the Chinese National People's Congress (NPC) delegation and vice chairman of the NPC Foreign Affairs Committee, refuted the West German delegate's speech.

He said he deplored that the West German group submitted the item to the conference despite the fact that the whole truth has come out and to the detriment of the friendship between the parliaments and peoples of the two countries.

He stressed that the incident is entirely an internal affair of China.

"This is an act of wanton interference in China's internal affairs, an affront to the Chinese people and a violation of international law and completely runs counter to the aims of the IPU," he said.

Fu Hao called on participating parliamentary colleagues from other countries to vote against the item in order to safeguard the international norms of non-interference in each others' internal affairs and defend the dignity of the aims of the IPU.

Many Third World countries either voted against the item or abstained. Some Western countries, including Spain and Portugal, also abstained.

Fu Hao told XINHUA after today's session that the vote showed that China is not, and cannot be, isolated. "As time goes on, more and more people in the world have come to learn the truth of China's quelling of the counter-revolutionary rebellion. Today's vote is a case in point," he added.

The IPU meeting, which is also the centenary conference of the world organization, opened today and will end on September 9.

Some 1,400 parliamentarians from 108 countries are attending the conference.

Article on Rejected Motion

HK0609032589 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 6 Sep 89 p 6

[Article by Zheng Yuanyuan (6774 0954 0954): "Sensible and Realistic Consideration"]

[Text] In a full session of the Interparliamentary Union held in London, a so-called motion to protest against "China's suppression of peaceful demonstrators" was vetoed. The incident indicated that rationality and realistic consideration have gained ascendancy when the international community makes judgments and assessments on the matter of China's quelling of the counter-revolutionary rebellion.

In the 3 months since the rebellion was quelled, our government has cited numerous facts, including a large quantity of human testimony and material evidence, to reveal the crimes committed by a small handful of people who planned and instigated the turmoil behind

the scenes for the sake of launching a counterrevolutionary rebellion. With the truth being revealed to the world, more and more countries have gradually understood the real situation of the life-and-death struggle between revolution and counterrevolution involving China's fate and future. Therefore, people in various countries can make judgments in a more objective and just way. The veto on the proposal during the meeting in London was precisely a reflection of the fact that parliamentary members of various countries were no longer being fooled by public opinion in the West, but were making a wise decision after thinking coolly about the reality.

In the last 3 months, international opinion has become more extensive in pointing out: Quelling counterrevolutionary rebellion is China's internal affair, and no country has the right to directly or indirectly intervene under any excuse; this is determined by the basic norms of international law, and is also a principle provided for by the "Noninterference Declaration" by the United Nations. The incident has been understood, but up to now, some people still ignore the facts and truth, and continue to advocate the myth in a vicious attempt to attack China and arouse anti-China sentiment. But the pity is that the veto on their proposal in London has proved that their mean actions are not welcomed in the world.

XINHUA Roundups Consider Nonaligned Summit

Movement Reviewed

OW0109223789 Beijing XINHUA in English
1449 GMT 1 Sep 89

["Roundup: From Belgrade to Belgrade: NAM's 28 Years of Triumph (by Liu Jiang and Ying Qian)" — XINHUA headline]

[Text] Belgrade, September 1 (XINHUA)—With flowers, fluttering flags and bright-hued billboards, Belgrade, the capital of Yugoslavia, is awash in festive jubilation as the ninth summit of the Nonaligned Movement (NAM) opens here Monday.

In this city, the birthplace of the Nonaligned Movement, about 5,000 representatives from more than 170 nations and organizations will hold their triennial meeting September 4-7 to charter a new course for further implementation of NAM's principles laid down by its founding fathers 28 years ago.

On September 1, 1961, late-Yugoslav President Josif Broz Tito declared here the founding of the movement at its first summit conference. Twenty-five heads of state or government came for that historic event.

In his opening speech, Tito said that "the purpose of this meeting is to make the great powers realize that the fate of the world cannot rest in their hands alone."

The declaration of the Belgrade conference, adopted on September 6, 1961, laid for NAM a solid cornerstone with such tenets as "non-bloc," [word indistinct], independence and self-determination.

NAM's founders hoped all countries in the course of development to "cooperate effectively in economic and commercial fields" so as to face the policies of pressure in the economic sphere, and "the harmful results which may be created by the economic blocs of the industrial countries."

The first two NAM summits in Belgrade and Cairo were mainly devoted to such political issues as decolonization, the Berlin crisis and disarmament.

At the 1970 third summit in Lusaka, 53 NAM members highlighted for the first time the economic component to the political platform of the movement. They agreed that no political progress can be made unless the outstanding economic problems of the Third World countries are addressed.

At the fourth summit in Algiers in 1973, 75 member states set up the task of seeking a new international economic order.

Later on, non-aligned countries put forward a series of new concepts concerning the economic problems, such as "collective self-reliance," and "global negotiations."

As Belgrade welcomes the return of the summiteers after 28 years, the non-aligned nations are contemplating how to adjust their strategy to the changing situation and play an even greater role in world affairs.

One of the major themes expected to be discussed at the forthcoming summit is an assessment of the world situation which many countries consider has undergone enormous transformation since the last summit in Harare, Zimbabwe, in 1986.

The past three years witnessed a relaxation of tension between the two superpowers. After strenuous hassles, Washington and Moscow reached an agreement in 1987 to destroy their medium- and shorter-range missiles. Talks on conventional forces between the Warsaw Pact and NATO have also made headway in the past six months.

In such "hot spots" as Afghanistan, the Middle East, southwest Africa and Central America, head-on confrontation is giving way to direct or indirect negotiations, bringing about hopes for a peaceful settlement of some sustained problems that once posed threats to world peace.

For all encouraging improvement of the world situation, detente is still fragile and unstable, vulnerable to elements intent on keeping the political and economic order of the old days. Besides, the political, ethnic and religious discords are so deep-seated in some troubled areas that no one could expect them to be solved overnight.

Compounding the political strains are the economic woes of many developing countries. At present, foreign debts in the Third World countries have piled up to 1.32 trillion dollars.

Many developing nations are also suffering from the deterioration of the terms of trade. According to U.N. statistics, the real prices of primary products dropped 30 percent during the 1980-1986 period, costing the developing nations more than 900 million dollars in export incomes.

Quite a few NAM countries now see that the world is at a crossroads, with as many opportunities as tests for all countries in the days ahead.

To meet the challenges, representatives of NAM member countries are expected to focus on the following subject matters in the process of the upcoming summit:

The first and foremost is how to keep on the current momentum of detente and further reduce tension in the world through dialogue and consultation.

Economic issues may have an even greater weight in the debate of the ninth NAM summit since most non-aligned nations are crying out for a fundamental change to the existing world economic system that is detrimental to the developing countries.

The human rights issue may also draw the heeds of the summiteers. Toward this end the conference is expected to continuously castigate racism, neo-colonialism and terrorism while stressing people's right to live in peace, freedom and dignity.

The protection of environment also will draw the attention of the summit. The representatives may try hard to forge a common strategy for combating the pollution of water, land and air, and desertification.

The last least [as received] point to be on the top of the agenda is a call for all member states to help reinforce the role of the United Nations in mediating peace and promoting dialogue and cooperation between the North and the South.

It is not unusual, however, that differences may crop up on some issues, but observers here believe that unity and solidarity will remain the locomotive of the conference, because most non-aligned countries share similar or identical views on major world events and are bound by the common interests of independence, peace and social well-being.

Belgrade is reaping a bumper harvest of the policy of non-bloc and active participation in world affairs. The re-gathering of world leaders here is to mark a new turning point for NAM's efforts toward peace, stability and development.

Economic Detente Urged

OW0509081789 Beijing XINHUA in English
0601 GMT 5 Sep 89

["Roundup: First Day at Ninth Non-Aligned Summit"—XINHUA Headline]

[Text] Belgrade, September 5 (XINHUA)—The first day of the ninth aligned [as received] summit was marked by calls for world peace and justice, for the modernization of the Nonaligned Movement and the condemnation of economic and social injustice, colonialism and foreign domination.

The largest gathering thus far of heads of state and government, comprising 172 delegations from Non-aligned Movement (NAM) member states, liberation movements and international organizations, convened Monday to elect Yugoslav President Janez Drnovsek as chairman of the conference and also chairman of the movement for the coming three-year period.

Zimbabwean President Robert Mugabe, who headed the movement since the last summit in Harare in 1986, handed over the gavel to Drnovsek to complete the transfer of the chairmanship.

In an acceptance speech, Drnovsek talked about new challenges facing the non-aligned bloc in situations when blocs no longer are monolithic.

He also warned that the fact that political detente is not accompanied by economic detente gives rise to concern, and said that uneven economic development is becoming the world's greatest contradiction.

He said that while the movement's strategic commitment remains unchanged, the non-aligned nations should "in a new way become part of contemporary global processes."

During the general debate this afternoon, 15 heads of state or government took the floor. Their speeches focused on the international situation, the role of the Nonaligned Movement in strengthening world peace and security and economic problems in the developing countries.

United Nations Secretary-General Javier Perez de Cuellar, a special guest here, appealed at the opening session to non-aligned nations and other countries to create conditions for resolving North-South problems.

He also said the constructive task facing the Nonaligned Movement today is strengthening the climate of confidence and negotiation that will have a stabilizing effect on international relations.

Perez de Cuellar met later Monday with Iranian Foreign Minister 'Ali Akbar Velayati to discuss the next stage of the U.N. chief's peace initiative to put a definite end to the Iran-Iraq war. He will also meet Iraqi Foreign Minister Tariq 'Aziz here.

Egyptian President Hosni Mubarak stressed the need to eliminate colonialism in the south of Africa.

Palestinian President Yasir 'Arafat noted that the summit is held at the historic moment when "we are facing important challenges and when a new, practical and balanced approach in the settlement of world problems is needed."

He warned of the prospect of a destructive war in the Middle East if the United States and Israel fail to accept his peace initiative and his call for an international peace conference.

Ecuadorian President Rodrigo Borja said the debt issue "is not a financial problem, but primarily a political problem on which the quality of life in Latin America and the Caribbean depends."

Former Tanzanian President Julius Nyerere urged the non-aligned countries to adopt a strategy of solidarity and reliance on their own strength to be able to tackle in a more efficient manner the problems of the developing world.

Malaysian Prime Minister Mahathir bin Mohamed blamed the leading Western industrialized nations for many of the Third World's economic problems, and accused the West of using environmental concern as a trade weapon.

Venezuela was accepted formally as a new member of the Nonaligned Movement Monday, bringing the total number of the movement's full members to 102.

However, the seat reserved for Democratic Kampuchea at the ninth summit remains vacant because the Paris International Conference on Kampuchea failed to reach a solution to unite the disputing sides in that country.

The heads of state and government who have sent messages of greeting to the ninth non-aligned summit include Chinese Premier Li Peng, Soviet leader Mikhail Gorbachev, Polish President Wojciech Jaruzelski, Mexican President Carlos Salinas, Democratic German leader Erich Honecker and West German Chancellor Helmut Kohl.

One president who was unable to attend was Cuba's Fidel Castro, who had not missed a non-aligned summit since the Algiers conference in 1973. He cited the "complicated situation" in his region.

More than 900 foreign journalists, photographers, television and film cameramen from 87 countries are here covering the summit.

Libyan leader Mu'ammar al-Qadhafi, who was said to have wanted to ride a "white horse" to the non-aligned summit, was an hour late to the opening session, riding a Cadillac.

5 Sep Meeting Reviewed

OW0609025389 Beijing XINHUA in English
0114 GMT 6 Sep 89

["Roundup: Second Day of the Ninth Nonaligned Summit"—XINHUA headline]

[Text] Belgrade, September 6 (XINHUA)—The ninth Non-aligned Summit ended its second session here Tuesday with over 20 world leaders emphasizing the problem of economic constraints upon developing countries.

Nearly all the speakers at the summit Tuesday stated that the current political detente between the superpowers should be broadened to include an "economic detente" without which world harmony will not be possible.

Indian Prime Minister Rajiv Gandhi said little has changed, or is about to change, in the overall economic power structure in the relationship between the developed north and the developing south.

Gandhi said the central issue in the present international economic order "is the domination of the global economy by a few without regard for the interests of the many," and he urged the Nonaligned Movement to challenge the doctrine of domination in the economic sphere.

Yugoslav President Janez Drnovsek warned that "political detente will not survive without the economic (detente)."

Venezuelan President Carlos Andres Perez called the debt issue a "notorious example" of a worldwide economic epidemic and said the debt problem is "of the highest priority for the Third World."

The overall debt of developing nations rose to 1.32 trillion U.S. Dollars, among which 4.21 billions was owed by Latin American countries. Many of the speakers called for an early settlement of the debt crisis.

During the general debate, other speakers called for the elimination of apartheid and aggression.

Panamanian Vice President Carlos Ozores warned against U.S. aggression. He said the prospect for resolving Panama's current crisis would not be bright if the United States insists on a policy of aggression or resorts to the threat of force.

In a hushed tone, scarcely heard since the summit opened Monday, Cuba's First Vice President Raul Castro lashed out at the U.S. for its intervention in Panama, describing it as "more arrogant, bluffing and aggressive than ever before."

Washington is accused of interfering in Panamanian presidential elections. It refused to recognize the new provisional government formed September 1. Libyan leader Mu'ammar al-Qadhafi, while appealing for "cohesiveness and unity" among the non-aligned nations, urged the expulsion of those with foreign military bases on their territories from the movement.

Neither of the sessions have started on time so far and few speakers have abided by the rule to speak no longer than 20 minutes. There were 33 speakers scheduled for Tuesday, but only eight took the floor in the morning. Indian Prime Minister Gandhi and Cuba's First Vice President Raul Castro spoke twice as long as the time allotted.

Over 100 amendments to nine documents prepared by Yugoslavia were submitted at Tuesday's debate of the Economic Committee, while the Political Committee of the Nonaligned Summit discussed some 40 amendments on draft documents which will be submitted to the Nonaligned Summit for adoption.

Leaders of 11 non-aligned countries Tuesday held a "mini" summit in a bid to promote north-south dialogue.

At the "mini" summit, initiated by Peruvian President Alan Garcia, participants were reported to have agreed on the need for a more active cooperation between the developing and developed countries to solve the pressing economic problems facing the Third World countries.

The "mini" summit participants include Peru, Yugoslavia, Algeria, Indonesia, Venezuela, Zimbabwe, India, Egypt, Argentina, Nigeria and Senegal.

Libyan leader Mu'ammarr al-Qadhafi became the summit's media star by having a caravan of camels and horses come to Belgrade and putting up his traditional Arab tent in the garden of his Belgrade residence.

SHIJIE ZHISHI Views East-West Relations

HK0609023189 Beijing SHIJIE ZHISHI in Chinese
No 16, 16 Aug 89 pp 4-5

[Article by Xin Peihe (2946 3099 0678): "Thoughts on Current East-West Relations"]

[Text] On the one hand, U.S.-Soviet relations seem more stable and profound than before and, in their global rivalry, both parties pay more attention to considering the interests of the other party; on the other hand, in the course of detente and dialogue, the inherent acute contradictions between both parties on such issues as the concept of value and social system have become more conspicuous.

Since the Bush administration took office, some new, impressive features have emerged in the development of East-West relations. This finds its chief expression in U.S.-Soviet relations. As this writer sees it, although the detente process in current U.S.-Soviet relations will not be so quick or will not be tinted with so much emotional coloring as it was during the later period of the Reagan administration, it seems more stable and profound than before. This is the first outstanding characteristics.

When we say it is more stable than before, we chiefly refer to the fact that, after reviewing its Soviet policy in an all around way, the Bush administration has defined a considerably long-term strategic policy toward the

Soviet Union, of which it has basically reached a common understanding in the country, as well as among the allies. This is what Bush called the principle of "going beyond containment." [chao yue e zhi 6389 6390 6666 0455] This not only represents the U.S. strategic concept from the last decade of this century to early next century but also signals a "marked change in the U.S. containment policy toward the Soviet Union since the war 40-plus years ago." Its basic points can be summed up in the following three points: First, it explicitly affirms that Gorbachev's policy of perestroika and glasnost is in keeping with the interests of the United States and the West, and that "the policy of the West must encourage the Soviet Union to evolve toward an open society" (Bush's remark). Second, while maintaining sufficient military strength and strengthening the trilateral alliance among the United States, Europe, and Japan, we should continue dialogue and cooperation with the Soviet Union in four spheres, namely, arms control, regional conflict, human rights, and bilateral relations, and further expand this dialogue and cooperation to the fifth sphere, i.e., protecting the environment and ecological balance, fighting international drug trafficking, and opposing terrorism. Third, while attaining successes in the containment of the Soviet Union in the past and continuously impelling it to contract its foreign policy, we should "seek to merge the Soviet Union into the international community" (Bush's remark) through economic, cultural, and other channels of exchange. Undoubtedly, the Soviet Union views the aforesaid U.S. principles differently, but, for a certain period, they still coincide with the fundamental interests of the Soviet Union to conduct reform internally and to need detente externally. Therefore, this writer holds that the Soviet Union will basically accept it. On 14 July, just as the summit of the seven Western countries was being held in Paris, Gorbachev wrote a letter to the conference president Mitterrand, stressing the Soviet willingness to make further efforts to join in the current international economic cooperation and, to this end, to hold dialogues with the Western industrialized countries. This extraordinary act also manifests this point.

When we say that the U.S.-Soviet relations are more profound than before, this chiefly means that, while engaging in global competition, the United States and the Soviet Union are in a better position to consider the interests of the other party, that tacit mutual understanding has increased, and that the dialogues in various fields have deepened on the basis of the existing mechanisms. The latest achievements in the field of regional conflict are as follows: In Central America, the United States has suspended military aid to the contra forces in Nicaragua, and the Soviet Union has also suspended the supply of new weaponry to the Sandinista regime; in Africa, the Angolan Government and the National Union for the Total Independence of Angola have reached an initial cease-fire agreement and are advancing toward a comprehensive reconciliation; in Asia, with the Afghan civil war being at a stalemate, the United States and the Soviet Union are holding new

consultations to seek a new political solution, and so on. In the field of arms control, the Soviet Union and the United States have reached a principled agreement in Geneva on the crucial part of the treaty banning chemical weapons; the stands of both parties on reducing conventional weapons in Europe have come closer; the talks on concluding a treaty to cut strategic weapons by 50 percent is being speeded up. Because the Soviet Union has adopted a "flexible" attitude toward the human rights issue, Bush has also decided to temporarily suspend for a year the implementation of the Jackson-Vanik bill, which discriminates against the Soviet Union in trade. Moreover, both parties have also had unprecedentedly frequent and high-level contacts in the military field, such as U.S. Joint Chief of Staffs General Crowe's visit to the Soviet Union, the first visit to the United States by a Soviet naval fleet in 14 years, and the 1-day hearing on the question of Soviet-U.S. arms control given by Marshall Akhromeyev, former chief of staff of the Soviet Armed Forces and Gorbachev's senior advisor on armed issues, at the invitation of Les Aspin, chairman of the U.S. House Armed Services Committee.

Naturally, the fundamental point that the United States and the Soviet Union see each other as opponents remains unchanged. Gorbachev's recent visit to Western Europe and Bush's recent visit to Eastern Europe represent a new rivalry between both parties on the concepts of what they respectively called the "European mansion" and the "European alliance." However, it should be especially pointed out here that this competition between the United States and the Soviet Union has been mutually tolerable and they have reached a certain understanding about it. This can be regarded as the second outstanding characteristic. There are roughly three reasons for this phenomenon: First, because both Gorbachev's visit to Western Europe and Bush's visit to Eastern Europe are in the interests of the countries they visited, they were accorded lavish hospitality, for nobody had any reason to stand in the way of these visits. Second, it shows an increasingly independent status of Western and Eastern Europe, as well as a weakening influence of the United States and the Soviet Union among their allies. Third, more importantly, both the United States and the Soviet Union are trying as far as possible to restrict their activities within a scope tolerable to the other party. For example, when visiting France to publicize his concept of a "European mansion," Gorbachev referred to Henry Kissinger's previous view that it was an attempt by the Soviet Union to exclude the United States from Europe and said: "Both the Soviet Union and the United States are a natural part of Europe's international political structure. Their participation in the European process is not only a matter of course but is also determined by history." When visiting Poland and Hungary, Bush also repeatedly stressed that the United States "does not intend to undermine the relationship between the Soviet Union and its East European allies." On 17 July, when visiting the Netherlands, Bush said more explicitly that to seek "an international climate which will enable reforms in Poland

and Hungary to succeed," the United States will improve relations with the Soviet Union because "improved relations with the Soviet Union will reduce pressure on East European countries, especially the states on the verge of crucial reform.

The third outstanding characteristic is that the interest of the United States and the West to improve East-West relations finds conspicuous expression in their attempt to influence the reform process in the Soviet Union, Eastern Europe, and all other socialist states. On this count, through the Brussels NATO summit at the end of May and the Paris summit of the seven Western countries in mid-July, the West has reached an unprecedented unanimity. As the statement of the NATO summit put it very clearly, "Major changes are taking place in the Soviet Union. We welcome its present reform...and welcome the remarkable progress some East European countries have made in some respects, such as the establishment of a more democratic structure and the holding of freer elections, the expansion of political pluralism, and the increase in economic alternatives." The statement also said volubly that one of the long-term objectives of the NATO alliance is to "set up a new type of East-West state relations under which cooperation, trust, and peaceful competition will replace ideological and military confrontation; human rights and political freedom will be fully guaranteed and enjoyed by all people." The political declaration of the Paris summit of the seven Western countries, however, indicated that the West would adopt coordinated actions to help reforms in Eastern Europe and entrust the European Communities to be responsible for organizing their implementation. European Communities President Jacques Delors put it even more bluntly, "the message of the West is clear, namely, aid to Eastern Europe will depend on the development of democratization in Eastern Europe.

People notice that, when visiting the European Commission in Strasbourg on 6 July during his visit to France, Gorbachev stressed: "European states belong to two different social systems, and this is a reality. Recognizing this historical fact and respecting the sovereignty of each nation to choose a social system according to its own will are an important precondition in Europe's normalization process." He also said: If some people in the West stick to the view that overcoming European differences means "overcoming socialism," there will not be any unification in Europe. At a press conference he jointly held with Mitterrand, he refuted the Western argument on the so-called "communist crisis," saying that now we "should not discuss Marxist and communist crises but should discuss their renovation instead."

The aforesaid examples have reflected a very contradictory phenomenon, namely, on the one hand, the detente process in U.S.-Soviet relations is more stable and profound than before and, in their global competition, both parties pay attention to considering the interest of the other party; on the other hand, there is still an acute antithesis between the United States and the Soviet

Union on the improvement of East-West relations and on such issues as the concept of value and social system. Under such circumstances, how will East-West relations progress in the future? How far will they go? These are really worth pondering.

U.S., Others Present at Shanghai Carpet Fair

*OW0509204589 Beijing XINHUA in English
1513 GMT 5 Sep 89*

[Text] Shanghai, September 5 (XINHUA)—The five-day second annual trade fair of the Friendship Association of Chinese Carpet Export Corporations opened in Shanghai today.

Forty carpet trading companies from the United States, the Federal Republic of Germany, Japan, Kuwait, Saudi Arabia, Singapore and Hong Kong have sent representatives.

The association was formed by five animal by-products import and export companies from Beijing, Tianjin, Shandong, Liaoning and Shanghai. Last year, the association exported 240 million U.S. dollars worth of carpets, 70 percent of China's total carpet exports for the year.

This year's fair has attracted more traders than the last fair held in Tianjin and business volume is expected to be 20 to 30 percent higher than last year's 17 million U.S. dollars.

Next year's fair will be held in Jinan, capital of east China's Shandong Province.

Silk Company Group Goes to USSR, East Europe

*OW0409062789 Beijing XINHUA in English
0532 GMT 4 Sep 89*

[Text] Beijing, September 4 (XINHUA)—A delegation from the China National Silk Import and Export Corporation left Beijing today for a visit to the Soviet Union, Bulgaria and Czechoslovakia at the invitation of its counterparts in these countries.

Headed by Huang Jianmo, general manager of the corporation, the 15-member delegation will hold trade talks, explain China's ability to manufacture and supply silk garments and study clients' requirements on Chinese silk commodities.

An exhibition will be held in the capitals of these countries. Exhibits include various kinds of dyed yarn, dyed and printed pure silk fabrics, fabrics blended with linen and cotton, various kinds of fashion and traditional garments, Suzhou and Wenzhou silk embroideries, silk carpets and tapestries and other silk products. Some 80 fashion garments will be displayed by local models.

China has a long history in silk production, with the noted "Silk Road" reaching Europe. In the 1950s the Chinese silk trade volume with the Soviet Union and East European countries accounted for 60 to 70 percent

of China's total silk export. The volume dropped in the last two decades. Currently, it rose again as the political and economic Sino-Soviet relations are being improved.

Guangzhou To Host Medical Exhibition

*OW0409205189 Beijing XINHUA in English
1518 GMT 4 Sep 89*

[Text] Guangzhou, September 4 (XINHUA)—The first international exhibition on medicines, advanced medicine processing equipment and medical apparatuses will be held in Guangzhou from September 6 to 10.

The exhibition is jointly sponsored by the International Center for Medical and Health Exchange under the Ministry of Public Health, the Health Department of the General Logistics Department of the Chinese People's Liberation Army and the Kong Ching Hong of Hong Kong.

Medicine and medical equipment producers and trading companies from the Chinese mainland and Hong Kong, Japan, the United States, the Federal Republic of Germany, the Soviet Union, the Netherlands and Sweden will be displaying their products and samples.

Technical exchanges and business talks will be held between Chinese producers of 2,900 kinds of medical equipment and apparatus and producers of 4,000 kinds of this equipment from other countries and regions.

China now exports more than 500 kinds of medical equipment and apparatus and continues to import advanced equipment and apparatuses.

Acupuncture Symposium Opens in Beijing

*OW0509210389 Beijing XINHUA in English
1418 GMT 5 Sep 89*

[Text] September 5 (XINHUA)—More than one hundred Chinese and foreign acupuncture and moxibustion experts gathered in Beijing on Tuesday to discuss acupuncture education.

The five-day international symposium on acupuncture is organized by the China Association of Acupuncture and the World Federation of Acupuncture-Moxibustion Societies. Participants from 15 countries have presented over 100 academic papers.

The symposium will discuss the content and form of acupuncture education, the necessary requirements for acupuncturists and the proper facilities for acupuncture education institutions.

Addressing the opening ceremony, Lu Zhijun, honorary chairman of the World Federation of Acupuncture-Moxibustion Societies, said that in the past decade, the World Health Organization (WHO) had entrusted China with the responsibility of opening three acupuncture training centers in Beijing, Shanghai and Nanjing, which have trained more than 1,000 acupuncturists and

teachers from over 100 countries. Acupuncture societies in other countries also help train acupuncturists for each other.

Lu Zhijun called on acupuncturists of all countries to combine efforts to promote the standardization of international acupuncture and moxibustion education.

Dr. Bernard Kean, representative of the WHO, said training and education systems in acupuncture and moxibustion vary from country to country. While the traditional ways of training through apprenticeship or passing the knowledge down through generations of the same family are still common, there are also formal education systems in some countries such as China, India, Japan and France.

As acupuncture has been acknowledged by more and more countries and is arousing more and more interest, the need to increase the quality of the world's acupuncture and moxibustion education has become imperative, he added.

Beijing Hosts Major Superconductors Conference

OW0509074589 Beijing XINHUA in English
0710 GMT 5 Sep 89

[Text] Beijing, September 5 (XINHUA)—Over 380 scientists gathered at Beijing University here today to discuss the latest developments in high temperature superconductors.

Superconductors are materials that lose all resistance to electricity below a certain temperature. Many scientists believe that high temperature superconductors could make a whole range of technological innovations. For example, trains that float on magnetic fields, and supercomputers the size of TV sets.

During the four-day Beijing international conference on high temperature superconductivity, physicists from Denmark, France, Federal Germany, India, Japan, Romania, Switzerland, the United States, the Soviet Union and China will present more than 200 research reports on superconducting materials, properties, structure, theory, film and devices.

Scientists believe that these reports, which reflect some of the recent significant achievements will have an important influence on the future development of high temperature superconductivity.

Dutch physicist Heike Onnes discovered superconductivity in 1911, but practical uses were hard to find as extremely low temperatures were required. Then in 1986, two scientists working with IBM produced a copper oxide superconductor which worked at minus 238 degrees centigrade. That find prompted scientists all over the world to search for a material that could work at room temperature.

According to Professor Zhou Guangzhao, the conference's chairman and president of the Chinese Academy

of Sciences, the discovery of copper oxide superconductors was a remarkable event in the history of science.

"For the past two years, good papers on the subject of high temperature superconductors have been published almost every day and enormous progress has been made in both fundamental research and applications," he said.

Zhou said he believed that contacts among scientists at international level are necessary and will be of great benefit to the advancement of research in this field.

"This conference also offers a chance for exchanges between scientists and industry," he added.

According to Zhou, in collaboration with industrial companies, scientists around the world have been racing to develop a usable generation of superconductors over the past two years.

Exhibition Promotes Garment Industry Developments

OW0509102589 Beijing XINHUA in English
0734 GMT 5 Sep 89

[Text] Beijing, September 5 (XINHUA)—China will hold an international Garmentech exhibition at Beijing Exhibition Hall tomorrow as an effort to gear up the development of its garment industry, "CHINA DAILY" reported today.

The exhibition, sponsored by the China Council for the Promotion of International Trade (CCPIT) and the Ministry of Textile Industry, is the largest international Garmentech exhibition held in China and will feature complete ranges of garment-making machines.

Some 33 Garmentech manufacturers from West Germany, Japan, France, Switzerland, Hong Kong and Taiwan will demonstrate advanced machines for straight line sewing, buttonhole sewing, zig-zag lock stitch, cutting, ironing, pleat-making and packaging.

Exhibits will also include machines used in making shoes, arts and crafts, knitted goods, furniture, bed linen and chests.

According to the newspaper, China will buy at least 1.5 million U.S. dollars worth of machines at the exhibition, mainly from West Germany and Japan.

The exhibition will last for six days, said the newspaper.

Asian Development Bank To Support Shanghai Firms

OW109142289 Beijing XINHUA in English 1359 GMT
1 Sep 89

[Text] Shanghai, September 1 (XINHUA)—The Asian Development Bank (ADB) will provide Shanghai with 100 million U.S. dollars in loans to upgrade the city's medium and small enterprises.

Agreements for the delivery of the loan and technical assistance were signed in Manila August 28.

The ADB entrusted the Shanghai Investment and Trust Corporation to handle the transactions.

As the largest industrial center in China, Shanghai boasts 8,000 medium and small industrial enterprises. But out-of-date equipment, poor management and backward technology hamper their efforts to compete in foreign markets.

To update technology and equipment at these enterprises, the local government has borrowed 270 million U.S. dollars in foreign loans, issued 240 million U.S. dollars-worth of overseas bonds and drawn 230 million U.S. dollars of foreign investment since 1979.

United States & Canada

Article Warns Against 'Peaceful Evolution'

HK0609050189 Beijing GONGREN RIBAO in Chinese
11 Aug 89 p 3

[Article by Ge Qun (2407 5028): "Do Not Relax Our Vigilance Over 'Peaceful Evolution'"—Thought After Reading Again the "Five Articles Commenting on the 'White Paper'"]

[Text] Forty years ago, after the "Five Articles Commenting on the 'White Paper'" written by Comrade Mao Zedong for XINHUA News Agency had just been published, I was a young soldier who had just joined the People's Army. Before joining the revolution, I was a young student. At that time, due to the fact that I was a young man with little experience, I failed to fully and profoundly realize the important content of these articles. After the quelling of the current turmoil and counterrevolutionary rebellion, I read again the "Five Articles Commenting on the 'White Paper,'" and integrate them with the important speech of Comrade Xiaoping and the spirit of the 4th Plenary Session of the 13th CPC Central Committee. They have really touched my heart, and enabled me to considerably enhance my ideological understanding.

The White Paper mentioned here is a document entitled "Relations Between the United States and China" issued on 5 August 1949. To publish the White Paper, the U.S. Secretary of State at that time Acheson attached his letter to President Truman dated on 30 July 1949 to the document as a preface to it. The White Paper deals with Sino-American relations from 1844, when the United States forced China to sign the "Treaty of Wanghia" up to 1949, when the nationwide victory of the revolution of the Chinese people was won. The White Paper gives a particularly detailed account on how, during a 5-year period from the end of the War of Resistance against Japan up to 1949, the United States pursued its policy of supporting Chiang to oppose communism, how it opposed the Chinese people by every possible means, and how it eventually met with defeat. Why did they publish the White Paper at that time? It was because a quarrel had occurred inside the ruling clique due to the

failure of the U.S. policy of supporting Chiang and of invading China. MacArthur, Republican Senator (Bridge), Democratic Senator (Mackland), and Congressman Judd blamed President Truman, who was in power, and Secretary of State Acheson's policy toward China. The two sides quarreled bitterly. Truman's side suddenly showed its hand by publicizing some authentic materials on invading China and opposing the Chinese people in order to defend itself. Therefore, the publication of the White Paper was objectively a confession of the U.S. imperialists of their invasion of China, and became a useful item for exposing the U.S. invasion of China.

In his article "Cast Away Illusions, Prepare for Struggle," Comrade Mao Zedong reviewed the history of the invasion of China by imperialists over the past 100 years. He came to a conclusion: The imperialists will never "lay down their knives and at once become a Buddha," and will "make trouble, fail, make trouble again, fail again...till their doom; that is the logic of the imperialists and of all reactionaries the world over in dealing with people's causes, and they will never go against this logic."

The so-called making trouble was nothing but using both soft and hard tactics. To turn China into its colony, the United States supplied money and guns, and Chiang Kai-shek supplied the men to fight for the United States to slaughter the Chinese people. These were the hard tactics. Running the so-called educational, cultural, and religious undertakings, and carrying out spiritual aggression, including a strategy of "peaceful evolution" put forward later by Acheson, were the soft tactics. Sometimes, both soft and hard tactics were used together. Sometimes, they were used alternately. This was a favorite trick of the imperialists. Marxism told us a long time ago that once the scientific socialist ideological system occurs, this shows the inevitable decline of capitalism and the fact that capitalism will be replaced by socialism. This is an objective law of social development which is independent of man's will. Therefore, those anticommunist personages in the international monopoly bourgeoisie are bound to use both soft and hard tactics. In those years, 14 imperialist countries used force to interfere in the October Revolution in Russia. Later, the imperialists did everything possible to try to strangle the new-born PRC. This has always been the case. However, in recent years many of our comrades have failed to pay sufficient attention to class struggle. It seems to them that class struggle has died out, and that the possibility of "peaceful evolution" no longer exists. They believe that since everything is all right, they can shake up the pillow and have a good sleep. When the central task in our country has been shifted to socialist economic construction, it is, of course, wrong to continue to take class struggle as the key link. However, class struggle has still existed in a certain scope. The struggle between "peaceful evolution" and "nonpeaceful evolution" is a special form of class struggle on an international scale, and a manifestation of class struggle at home

in a certain scope. In those years, Acheson was the first designer of the policy of "peaceful evolution" for China. In his letter for Truman, he said: "We still believe that in the near future, no matter how tragic the situation in China will become, and no matter how large a portion of the Chinese vast population will be subject to the brutal exploitation of a political party which is serving the interests of a foreign imperialism, ultimately the profound civilization and the democratic individualism of China will reassert themselves and she will throw off the foreign yoke. I suggest that we should encourage all developments in China which now and in the future work toward this end." Obviously, the "foreign imperialism" mentioned by Acheson here refers to the Soviet Union, "a political party" refers to the CPC, and "throwing off foreign yoke" means that he would encourage "democratic individualists" in China to overthrow through peaceful evolution the socialist system and people's state power established under the leadership of the CPC, and the guidance of Marxism-Leninism.

Comrade Mao Zedong resolutely made retorts to the remarks. In his article "The Bankruptcy of the Idealist Conception of History," he pointed out: "The reason why Marxism-Leninism has played such a great role in China since its introduction is that China's social conditions call for it, that it has been linked with the actual practice of the Chinese people's revolution and that the Chinese people have grasped it. Any ideology—even the best, even Marxism-Leninism itself—is ineffective unless it is linked with objective realities, meets objectively existing needs, and has been grasped by the masses of the people."

In the 1950's, U.S. Secretary of State Dulles inherited the mantle of Acheson, and further specified the strategy of peaceful evolution. In a statement on domestic policy, he openly declared that the policy of the United States was to promote liberalism of socialist countries such as the Soviet Union, Eastern Europe, China, and so on (namely liberalization, or capitalization). He also placed his hope on the people of the third or fourth generation of these countries. In the 1960's and 1970's, due to the fact that Western countries such as the United States and others pursued a policy of the "brink of war" and "cold war," the strategy of "peaceful evolution" was not fully implemented. In the 1980's, some anticommunist personages inside the American monopoly bourgeoisie believed that the good opportunity for promoting "peaceful evolution" had come, because after World War II, in a time of peace Western capitalist countries have been developing more rapidly in their science, technology, and economy, and the class struggle has been partially eased. Due to various complicated reasons, some socialist countries have suffered setbacks in terms of their social and economic problems to varying degrees. Although the socialist cause has made great achievements, it has encountered some difficulties and problems amid progress. To get rid of the outmoded and ossified economic and political systems, some socialist countries have started their all around reforms one after another.

These reforms are originally the self-improvement and development of the socialist system itself. To some anticommunist personages of the West, this is a good opportunity for plotting "peaceful evolution." They pointed out nakedly that the policy of opening up (to the outside world) implemented by China has provided the best opportunity since 1949 for truly accepting ideological influence and concepts of Western values. Therefore, taking American-style freedom, democracy, and human rights as their spiritual weapon, they widely infiltrate and penetrate China. They instigate and support a small number of persons in order to pursue bourgeois liberalization, trying to disintegrate the socialist system from within, and to "transform peacefully" socialism into capitalism, so that China will become an appendage of a certain imperialist country.

Owing to Comrade Zhao Ziyang's erroneous policy of conniving and protecting bourgeois liberalization, during a period of time, evil trends such as political "pluralism," economic "privatization," the theory on "harmlessness of inflation," ideologically blind worship for Western culture, belittling national culture and revolutionary tradition, preaching the theory that "corruption is unavoidable," attacking collective morality, beautifying and glamorizing individualism, and so on ran rampant. All these made preparations for the turmoil and counterrevolutionary rebellion in terms of propaganda and public opinions. Comrade Mao Zedong pointed out in his "Five Articles Commenting on the 'White Paper'," some "democratic individualists" who still cherished an illusion about the United States and misunderstood the Communist Party were middle elements. Today, those who stubbornly persist in the stand of bourgeois liberalization, frantically oppose the socialist system, take refuge in the U.S. Embassy, or flee to the United States to frenziedly continue their activities of subverting our government, people including Fang Lizhi, Yan Jiaqi, Wuer Kaixi, and their like, are a group of foreigners' slaves, scums of our nation, and reactionary elements who assist anticommunist elements both at home and abroad to pursue the policy of "peaceful evolution" with an aim of overthrowing the People's Republic.

From the "Five Articles Commenting on the 'White Paper'," we learn the way to treat the threat and the so-called sanction of imperialism. After this counterrevolutionary rebellion was swiftly suppressed, those, who formerly hoped that "peaceful transformation" could be realized, are flustered and exasperated. Again they wantonly fabricate rumors and set off an anti-Chinese wave in the world. They provide "refuge," make "charges," impose "sanctions" and so on, trying to put pressure on us so that we will submit. This is completely their daydream. Forty years ago, we had experience of such tricks. In 1949, when we won a nationwide victory, what we took over was a rotten legacy left over from the Kuomintang (KMT), in addition to a messy situation caused by war which lasted many years. We faced considerable difficulties. The imperialists said that the

Communists could only conquer the country, but could not rule it. They could not solve economic problem, and the problem of feeding the people. The imperialists sent airplanes to bombard our coastal area, and warships to impose a blockade on us with an aim of carrying out the so-called trade embargo. They intended to strangle the new-born PRC in the cradle. In front of the sabre rattling and threat of the imperialists, we never yielded, or submitted. At that time, in his article "Farewell, Leighton Stuart," Comrade Mao Zedong solemnly pointed out: "We Chinese have backbone." He added: "What matter if we have to face some difficulties? Let them blockade us! Let them blockade us for 8 or 10 years! By that time all of China's problems will have been solved. Will the Chinese cower before difficulties when they are not afraid even of death?" Nixon and Kissinger have experience and foresight. Recently, they stated that they disfavor the plan of imposing sanctions on China, and said that they would visit China during the second half of this year. Nixon stressed that imposing sanctions on China is useless. The Chinese lived in seclusion without coming into contacts with the West for a quarter of the century. They can do so again. In the contemporary world, when economic mutual reliance has become increasingly important, interests are also mutual. Sanctions might bring temporary difficulties to us, but it will also harm those who impose it. The shortsighted action aimed at isolating China will also harm world peace and stability. Therefore, many foreign statesmen and entrepreneurs who have foresight oppose one after another the erroneous actions of their governments. Of course, our government will not pursue a shortsighted policy because of all this, or change the guiding principle of reform and opening up to return to the old path of closing our door against the world. We must resolutely implement the line of "one center, two basic points" which has been reaffirmed by the 4th Plenary Session of the 13th CPC Central Committee. With our attention focused on the center of socialist economic construction, we must firmly and unswervingly uphold the Four Cardinal Principles which are the foundation for founding our country, oppose bourgeois liberalization, firmly follow the path of reform and opening up, and build a more powerful People's Republic which can resist "peaceful evolution" in all forms, so that our socialist and communist cause can be carried on throughout the ages.

In conclusion, I wish to make some suggestions to our comrades, and to some young people who lack political experience and historical knowledge in particular, that while studying the spirit of the 4th Plenary Session of the 13th CPC Central Committee, they should spend some time reading the last 5 articles in Volume 4 of "Selected Works of Mao Zedong"—the "Five Articles Commenting on the 'White Paper'." Reviewing the past can help one understand the present. Reading these five articles will enable us to link what the Americans did in the past with their present conduct. In so doing, we can see more clearly what the American government and the VOA did and are doing before and after the turmoil and

rebellion. This does not mean that we are not willing to develop friendly relations with the United States. On the basis of the five principles of peaceful coexistence, it is our established foreign policy to develop relations with various countries in the world, including the United States. This is also where the interests of the Chinese people lie. However, when some countries have always tried to harm the feelings of the Chinese people, or to change the socialist system in China through "peaceful evolution," the Chinese people will naturally make their own response. Due to the fact that class struggle will exist at home and in the world for a long time, the struggle between "peaceful evolution" and "antipeaceful evolution" will also continue for a long time.

The historical experience of the international communist movement has shown that a long-term peaceful environment is liable to give rise to a false sense of peace and tranquility. The rightist mistakes of the Second International and Comrade Zhao Ziyang occurred under such conditions. We must take a lesson from it. In such a way, we will increase our consciousness in carrying out the struggle against "peaceful evolution" for a long time.

Soviet Union

Soviet-Chinese Railway Construction Begins

OW0609040189 Beijing XINHUA in English
0212 GMT 6 Sep 89

[Text] Moscow, September 5 (XINHUA)—Construction of a railway between the Soviet Central Asian republic of Kazakhstan and China's northwest autonomous region of Xinjiang began today at a Soviet border station.

Soviet workers at the "Friendship" train station broke ground for a mechanized switchyard where Chinese goods will be delivered to every corner of the Soviet Union.

The railway will connect the Kazakhstan station with Xinjiang's Ala Mountain Pass and is expected to be completed by 1992.

It will be of great benefit not only to the development of Soviet-Chinese border trade, but to transportation between Europe and the Asian-Pacific region as well.

Over the past three years, border trade between Kazakhstan and Xinjiang has developed rapidly with volume of goods circulation near 100 million Switzerland francs (about 16.6 million U.S. Dollars).

Some people have proposed that the area be built into a free-trade zone.

Northeast Asia

Qian Qichen Returns From Mongolia Visit

OW0409080189 Beijing XINHUA in English
0656 GMT 4 Sep 89

[Text] Beijing, September 4 (XINHUA)—Chinese Foreign Minister Qian Qichen was back here today from a week-long official goodwill visit to the Mongolian People's Republic.

Meeting him at the airport were Vice Foreign Minister Zhu Qizhen and charge d'affaires of the Mongolian Embassy to China, C. Bold.

Official Receives Mongolian Culture Delegation

SK0509004489 Hohhot Inner Mongolia Regional Service in Mandarin 1030 GMT 1 Sep 89

[Text] On the afternoon of 1 September, at the room of the honored guests of the auditorium of the regional government, Wen Jing, vice chairman of the regional government, cordially received the delegation from the Ministry of Culture from the MPR, headed by (Te Hohot Bayar).

Wen Jing introduced in detail the current situation on the region's cultural undertakings to the Mongolian guests; and expressed hope that China and Mongolia would strengthen exchange and cooperation in the field of nationalities culture.

Also joining the reception were responsible persons of the regional Foreign Affairs Office and the regional Cultural Department; and pertinent comrades of the Ministry of Culture of China.

Inner Mongolia Amity Group Visits MPR

SK0609114489 Hohhot Inner Mongolia Regional Service in Mandarin 1030 GMT 4 Sep 89

[Text] At the invitation of the Mongolia Federation of Peace and Friendship Organizations and the Mongolia-China Friendship Association of the Mongolian People's Republic [MPR], a five-member delegation of activists of the China-Mongolia Friendship Association, headed by He Yao, president of the Inner Mongolia Regional People's Association for Friendship with Foreign Countries and president of the China-Mongolia Friendship Association, visited the Mongolian People's Republic from 20 to 31 August.

When the delegation visited the Mongolian People's Republic, (Jiligete), vice chairman of the Mongolia Federation of Peace and Friendship Organizations; and (Migemaerjiabu), president of the Mongolia-China Friendship Association, met with all members of the delegation and also held cordial and friendly talks with each other.

Both sides expressed satisfaction with the work of enhancing the mutual understanding and friendship

between the peoples of the two countries. Both sides also exchanged views on further developing contacts and cooperation ties between the two friendship associations.

Japanese Foreign Minister Meets Liu Shuqing

OW0209061889 Beijing in Japanese to Japan
0930 GMT 30 Aug 89

[Text] Japanese Foreign Minister Nakayama has said that China is determined to maintain its reform and open-door policies. He also expressed his country's belief that the situation in China will stabilize. The foreign minister said this while meeting with Chinese Vice Foreign Minister Liu Shuqing in Paris yesterday on the sidelines of the international conference on the Cambodian issue. The Japanese foreign minister said that Japan and China are neighboring countries and that they should contribute to world peace. He added that the incident that had occurred in China recently is that country's domestic affair and that Japan has no intention of interfering.

Regarding Sino-Japanese economic cooperation, he said that Japan will keep the promises made so far and will not change its attitude.

After explaining the facts about the disturbance and the riot that had occurred in Beijing in May and June, Vice Foreign Minister Liu Shuqing said that China attaches importance to developing friendly relations with Japan, and expects old Japanese friends to visit China. He added that he would welcome a visit by Foreign Minister Nakayama to China.

On the Cambodian issue, Foreign Minister Nakayama said Japan and China shared the same position.

Vice Foreign Minister Liu Shuqing said that China will make efforts, together with Japan and other nations, for the success of the international conference on the Cambodian issue.

Amity Group's Wang Shoudao Meets Japanese Guests

OW0609075789 Beijing XINHUA in English
0613 GMT 6 Sep 89

[Text] Beijing, September 6 (XINHUA)—Wang Shoudao, president of the China Association for International Friendly Contacts (CAIFC), met Japanese friends Meisei Kimura, Tazi Kiyomiya and their party here today.

Wang, who is also member of the Standing Committee of the Central Advisory Commission of the Chinese Communist Party, briefed the Japanese visitors on China's quelling of the antigovernment riots in Beijing last June. He said that China's policies of reform and opening to the outside world and its independent foreign policy remain unchanged.

Clothing Exhibition Opens in Japan

*OW0509020789 Beijing XINHUA in English
0128 GMT 5 Sep 89*

[Text] Tokyo, September 4 (XINHUA)—A Chinese clothing exhibition opened in Osaka, Japan, today to promote Japanese import of Chinese clothes.

Wang Zengyou, vice president of the China National Textiles Import and Export Corporation, which sponsored the exhibition, said 37 companies from China are taking part in the five-day exhibition.

He said that the exhibition includes garments and knitting and features 418 samples of suits, dresses and shirts designed for the Japanese consumer.

Wang said he hopes that about 40 million U.S. dollars worth of contracts will be signed during the exhibition, the second of its kind since 1986.

He Zhukang Receives DPRK Provincial Delegates

*SK0509012489 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 1 Sep 89*

[Text] An eight-member delegation of the North Hamgyong Provincial Committee of the Workers Party of Korea [WPK] in the DPRK, headed by (Yi Chong-kun), secretary of the North Hamgyong Provincial WPK Committee, arrived in Jilin Province from Harbin by train on 1 September for a visit.

Meeting the delegation at the station were Du Qinglin, deputy secretary of the Jilin Provincial party committee, and Liang Jichang, deputy director of the Jilin Provincial Foreign Affairs Office.

That day, the delegation, with great enthusiasm, visited the Changchun No 1 Motor Plant, the building of the provincial television station, and the Changchun Film Studio.

That very evening, Comrade He Zhukang, secretary of the provincial party committee, received all comrades of the delegation at the Nanhu Guesthouse. During the reception, Comrade He Zhukang briefed the Korean comrades on the achievements reached by Jilin Province in reform and opening up over the past few years, and on the problems existing in this regard. Dwelling on the friendship between the parties, states, and peoples of China and Korea, Comrade He Zhukang said: This kind of friendship has been cemented with blood, has withstood the test of history, and thus is unbreakable. The current visit of this delegation to our country will certainly further consolidate this friendship.

Comrade (Yi Chong-kun), head of the delegation, congratulated Jilin Province on its achievements, and wished the province even greater achievements in upholding the Four Cardinal Principles, reform, and opening up. He said: Korea and China are as dear to each other as members of one family, and the friendship

between the parties and the peoples of these two countries goes back to ancient times. We will certainly continue to strengthen and develop this friendship.

Also joining the reception were Du Qinglin, deputy secretary of the Jilin Provincial party committee; Hu Houjun, director of the Propaganda Department of the provincial party committee; and Liang Jichang, deputy director of the provincial Foreign Affairs Office. After the reception, Comrade He Zhukang hosted a banquet in honor of the Korean comrades.

This delegation arrived in Jilin Province after winding up its visit to Heilongjiang at the invitation of the Heilongjiang Provincial party committee. The delegation will return home after leaving Changchun for Yanji on 2 September to continue on its visit.

DPRK Power Industry Group Visits Shandong

*SK0509004889 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 2 Sep 89*

[Text] The seven-member power industry delegation from the DPRK, headed by Yi Chong-song, vice chairman of the Power Industry Committee of the DPRK and president of the Korean side of the board of directors of the China-Korea Hydroelectric Power Company, arrived in Jinan from Beijing on the afternoon of 2 September to begin its friendly visit to Shandong Province.

On the evening of 2 September at the Qilu Guesthouse, Li Chunting, vice governor of Shandong Province, cordially received all members of the DPRK power industry delegation, and extended a welcome to them. The current purpose of this delegation is to participate in the 42d meeting of the board of directors of the China-Korea Hydroelectric Power Company.

During the reception, Vice Governor Li Chunting gave a briefing to the Korean guests on the province's situation in industrial and agricultural production and power industrial construction. Vice Governor Li Chunting said: The parties and peoples of China and Korea cherish a profound revolutionary friendship, and the current visit of Vice Chairman Yi Chong-song to China will produce positive results on promoting mutual understanding and friendship between the parties and the peoples of the two countries. Vice Chairman Yi Chong-song thanked the people of Shandong for their warm reception.

During its sojourn in Shandong Province, the delegation will visit and tour areas in Jinan and Qingdao.

PLA's Xu Huizi Fetes DPRK Officers

*OW0409105889 Beijing XINHUA in English
1029 GMT 4 Sep 89*

[Text] Beijing, September 4 (XINHUA)—Xu Huizi, deputy chief of the General Staff of the Chinese People's

Liberation Army, gave a dinner for a group of officers from the Korean People's Army led by General Li Duig, here this evening.

The visitors arrived here today on a two-week vacation at the invitation of the Chinese Ministry of National Defense.

Shenyang Hosts Railway Conference With DPRK

*SK0209023789 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 31 Aug 89*

[Text] The China railway delegation led by (Li Daqiang), director of the Shenyang Railway Bureau, and the Korean railway delegation led by (Kim Yong-sam), director of the (Hachon) Railway General Bureau, held a China-Korea border railway conference in Shenyang from 25 to 29 August. Both sides reviewed the past year's work in the delivery of international passengers and trade goods. Based on the principles of equality, mutual benefit, unity, friendship, and common development, they held earnest discussions on several issues concerning the future international transport between China and Korea. They signed a protocol on a China-Korea border railway conference and discussed the bright prospects for strengthening cooperation in the area of railway traffic between China and Korea.

Sub-Saharan Africa

Burkina Faso President Leaves for Official Visit

*OW0609013789 Beijing XINHUA in English
0047 GMT 6 Sep 89*

[Text] Lome, September 5 (XINHUA)—Captain Blaise Compaore, Burkina Faso's chief of state and chairman of the ruling People's Front Party, left Ouagadougou Tuesday for an official five-day visit to China.

The Chinese Embassy in Ouagadougou said the trip will be Compaore's first visit to China since he came to power on October 15, 1987. He is expected to arrive in China on Thursday, after stopovers in Paris and Moscow.

Accompanying him are Foreign Minister Yssouf Go, Minister of Planning and Cooperation Pascal Zagre and Henri Zongo, who is minister of economic promotion and second vice-chairman of the ruling People's Front Party.

Latin America & Caribbean

Vice Premier Wu Xueqian Meets Mexican Guests

*OW0409090189 Beijing XINHUA in English
0609 GMT 4 Sep 89*

[Text] Beijing, September 4 (XINHUA)—Chinese Vice-Premier Wu Xueqian met a broadcasting and television delegation from Mexico here this morning.

Visitors, led by Jose Gallastegui, vice-president of the Televisa of Mexico, arrived here August 31 as guests of the Ministry of Radio, Film and Television and are scheduled to leave for Xian and Shanghai tomorrow.

Political & Social**Li Peng Rules Out Amnesty for Demonstrators***AU0609071489 Paris AFP in English 0253 GMT
6 Sep 89*

[Text] Paris, Sept 6 (AFP)—Prime Minister Li Peng of China has ruled out an amnesty of demonstrators arrested after the Army's June 3-4 crackdown on the country's pro-democracy movement, as such a move was not covered by the constitution, the Paris daily LE FIGARO reported Wednesday.

Mr. Li said in an interview with Alain Peyrefitte, a member of the French Parliament, that the situation in China had become stable but it was too early to repeal martial law, declared before troops quelled the Beijing Spring movement.

Mr. Peyrefitte, a former minister of justice, is a member of the Conservative Rally for the Republic Party of former Prime Minister Jacques Chirac.

Mr. Li said an inflation of 18.5 per cent last year, "due to (ousted party leader) Zhao Ziyang's erroneous economic policy, corruption within party and government that angered the masses, and a wrong distribution of resources" were the causes for popular discontent and demonstrations earlier this year.

Naming the United States as one of some 20 countries which were still having misgivings about recent developments in China, Mr. Li said "many countries" had approved of the Chinese Government's moves.

He acknowledged that economic sanctions could make life more difficult for China, but he said "sanctions are also harmful for Western countries."

QIUSHI Carries Li Peng Speech on Reform*OW0109195389 Beijing XINHUA Domestic Service
in Chinese 1204 GMT 1 Sep 89*

["Local Broadcast News Service"]

[Text] Beijing, 1 Sep (XINHUA)—The 1 September issue of QIUSHI carries a speech made by Premier Li Peng at a plenary meeting of the State Council. In the speech, the premier said: All the reform and open measures decided by the CPC Central Committee and the State Council, the regulations and ordinances formulated by the State Council, and laws enacted by the National People's Congress [NPC] before the 4th Plenary Session of the 13th CPC Central Committee should continue to be implemented.

Li Peng said: For example, the "Enterprise Law" has been approved by the NPC, and the three sets of supplementary regulations (namely, the director responsibility system, the workers' congress system, and the regulations governing the work of enterprise party committees) are

also authorized documents. They should be implemented to guarantee the effectiveness of the laws and regulations. Of course, while implementing the Enterprise Law and the three sets of supplementary regulations, we should pay attention to building up the party, strengthening the party's leadership over ideological and political work in enterprises, and bringing into play the guaranteeing and supervisory role of party committees. Take, as another example, the contract responsibility system in the four major areas—the systems of holding local governments responsible for their own finances and for their own foreign trade and foreign exchange; the responsibility system in railways, coal mines, and other trades; and the various forms of contract managerial responsibility system in enterprises. Of these systems, some are implemented according to the authorized documents, and others are carried out as contracts. So long as a contract responsibility system remains valid, it should be continued and improved. Since the implementation of the contract responsibility system, we have seen its positive side, which should be affirmed. At the same time, we have also seen its negative side, which is reflected mainly in short-term behavior triggered by the system. As far as this problem is concerned, our attitude includes two aspects: First, we should maintain the consistency of policies, which cannot be changed at will, so as to stabilize the popular feeling, the contingent of personnel, and the economy. Second, we should sum up experiences seriously, and study improvement measures and methods for deepening enterprise reform. In the future, before a major reform measure is introduced, we should work out a scientific implementation plan and try it out at selected units, as well as do a good job in the publicity, so as to ensure that the reform measure is carried out actively, prudently, and in a down-to-earth manner.

He also discussed other reform measures and policies. He said: For example, the contract responsibility system linking remuneration to output, which has been implemented in the vast countryside, is a national policy related to the stability of the lives of the 800 million Chinese peasants. Practice has proved that this system conforms to the reality of China's rural productive forces, and it should be continued. Of course, where conditions permit, people may develop, on a voluntary basis, a suitable scale of management and a collective economy, while enterprises may promote lateral ties and form groups and the coastal region may develop enterprises with both ends of the production process on the world market according to the principle of voluntariness.

He said: We will make greater efforts to improve the investment environment and welcome overseas investors to establish Sino-foreign joint ventures and cooperative ventures and solely foreign owned enterprises in China so as to develop an export oriented economy in the country. Under the principles of equality and mutual benefit and without damaging its sovereignty, China will use various loans from foreign countries and regions to

construct mainly transportation, energy, raw and semi-finished materials, and telecommunications infrastructure. China keeps its promise and is fully capable of repaying debts.

On the question of experimenting with the reform, Li Peng said: Pilot reform measures such as the shareholding system and residential housing system, which were not popularized previously, should be tried out in a guided manner and step by step. At the same time, we should propose and study new topics. For example, how to establish a macro-economic regulatory system adapted to China's reality should be a major topic. It is hoped that the relevant departments will conduct investigative study and work out plans on several new topics.

On the time required for and goals of the drive to improve the economic environment and rectify the economic order, Li Peng said: Major problems in the Chinese economy, such as the total demand outstripping supply, irrational production structure and product mix, and the lack of means for exercising macro-economic control, have accumulated over the years. In the government work report delivered at the beginning of this year, we have proposed that the drive be basically completed in 2 or more years, and have also set six goals for the drive. In order to carry out the tasks, the State Council has decided to entrust the State Planning Commission to take the lead in drafting outlines for a 3-year economic improvement and rectification plan starting from this year. The specific goals of this plan include reducing the inflation rate to less than double-digit, readjustment of prices of farm produce and basic industrial products, cutting the financial deficit, and rationalizing the production structure and capital construction structure. In short, when these specific goals are accomplished, the tasks of the drive to improve the economic order and rectify the economic order can be considered basically completed. Outlines of the plan shall be submitted to the 5th Plenary Session of the 13th CPC Central Committee for discussion and to the NPC session next year for deliberation.

Yuan Mu Interviewed on Beijing 'Rebellion'

HK0309075089 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 2 Sep 89 p 4

[Interview with Yuan Mu (5913 2606) by ZHONGGUO QINGNIAN reporter: "Answering Young Friends"; date and place of interview not given; first two paragraphs are an introduction]

[Text] Editor's note: Young people are now reflecting on some issues after the quelling of the Beijing counterrevolutionary rebellion. While pondering on their experience, some young friends have raised a few questions on ideological understanding. In order to help young people draw lessons and enhance their understanding, the ZHONGGUO QINGNIAN magazine has interviewed Comrade Yuan Mu, spokesman for the State Council, asking him some of these questions. We believe this

interview, rendered in the form of heart-to-heart talk, can help dispel doubts on the part of young people.

Since many Chinese students studying abroad have also been disturbed by similar questions, we hereby present this interview to them and share our views with them in pursuit of the truth.

[ZHONGGUO QINGNIAN] We oppose corruption and official profiteering. It was out of patriotic enthusiasm and in pursuit of democracy that we took to the streets to demonstrate. Why cannot our activities be a patriotic democratic movement rather than a turmoil?

[Yuan] We do understand young people's feelings. To be sure, in staging demonstrations, sit-ins, and hunger strikes, and in taking part in other activities in the previous period, the vast majority of young students were actuated by good will and enthusiasm, in the hope of promoting democracy, deepening the reform, and combating corruption. As far as I know, this was the judgment of the party and the government on the students' activities, and they are still holding to this view. However, even though the truth of the incident, which stemmed from student unrest, developed into a turmoil, and finally turned out to be a counterrevolutionary rebellion, has become clear, some young friends are still evaluating the incident otherwise and raise a question like this, without changing their stand in terms of ideological understanding and feelings. This is a case which really deserves to be thought about. We surely need to encourage and organize young friends to make self-education and deep reflection in light of the facts and to draw a lesson from their bitter experience. In this sense we are facing an arduous task indeed.

As compared to you, I of course have many insufficiencies on my part. But probably I am superior to you in one sense, namely, I have a deeper understanding than you have on the past and the present of China. I still remember that before we opened our first dialogue with young students on 29 April as instructed by the State Council, we first read a great deal of materials, interviewed some college students, and made full preparations. At that time we already felt that the case was extraordinary. A host of facts told us that from the very beginning an extremely few people had been making use of the student unrest to stir up trouble and aggravate the situation in an attempt to achieve their goals which could never be achieved under stable social conditions. Most of these extremely few people were those "with beard" who used to plot and manipulate behind the scenes, or, to be more precise, those who had long been clinging to the view of bourgeois liberalization. Meanwhile, some student leaders who were obsessed with ambitions, appeared on the stage. During that round of dialogue we repeatedly reminded young students of this situation and sincerely advised them to keep estranged from these extremely few people with ulterior motives. And the best way to keep estranged from these people was to immediately stop illegal demonstrations, return to campuses, resume classes as soon as possible, and seek a

solution to the problems through normal channels of democracy and on the basis of the legal system. Our reminder and warning could possibly have awakened some people, but many people or, you may say, most people, did not take this warning seriously. Now the development of the case has provided us with sufficient information for an evaluation. I suggest everyone of you calm down and take a look at all the materials concerned. I am sure you will gradually change your views as soon as you obtain accurate and comprehensive information about the case. Anyway, you should never turn a blind eye to newspapers and television broadcasts and make your judgment on emotions, as this is no good to both the state and yourselves. To be brief, here I would like to present two points for your information.

First, the nature of a historical event is not to be determined by the wish of those who take part in it but by the event's political program, its objective development, its functions, and its outcome. Can you say the vast number of people taking part in the "Great Leap Forward" drive were not pushed by a good wish? Of course you cannot. People wished to invigorate national economy in the shortest time and at the highest speed, so that they would surpass the British and catch up with the Americans. The idea was just great! However, the historical practice proved that the objective effects were disastrous, as the "Great Leap Forward," which went counter to the objective law, finally turned out to be a "great retrogression" instead, seriously upsetting the economy. The Great Cultural Revolution is yet another example. What was the motive that actuated the broad masses to plunge into that movement? Did the ultimate nature of the movement consist with their original motive? I am afraid it did not! The 10-year cultural revolution turned out to be 10 years of "turmoil." Can you deny that this was because the movement was launched with a wrong decision by the leaders, guided with an erroneous theory, and made use of by counterrevolutionary cliques?

Second, it is by no means impossible that the good will of the majority can be fooled away by a handful of people with evil intentions. This has been proven by plenty of examples in both Chinese and foreign history. The Germans are well known for reason. But their patriotic passion still was made use of by Hitler and Fascism, causing a worldwide catastrophe at last. The recent incident was yet another historical tragedy—the broad masses' patriotic passion was made use of by an extremely few people to trigger off a turmoil and rebellion. The vast majority of students failed to keep things from developing according to their good will but drove the movement in a direction opposite to their wish, knowingly or unknowingly.

In the final analysis, to correctly evaluate this storm, we need to adopt a dialectical materialist conception of history, an outlook on life based on faith in socialism and communism, and a firm and correct political stand. It is regrettable or it is a real pity that during these years we paid too little attention to education for young people with regard to their world outlook, their outlook on life,

and their political stand. This is, we can say, an important lesson that we must draw from the recent event!

[ZHONGGUO QINGNIAN] An extremely few people managed to manipulate so many college students in a single incident and then went further to stir up a turmoil and rebellion. What is the implication of this?

[Yuan] This is a good question. After quelling the rebellion we need to compose ourselves, review the past, think about the future, and draw lessons from our experience. We need to seriously ponder this question if we want to prevent any new turmoil.

During the press conference for Chinese and foreign reporters on 3 May, I said: "Indeed some profound economic, political, social, and ideological factors were hidden behind the fact that an extremely few number of people managed to stir up turmoil. The case was complicated." Now I still hold to this view.

We must notice that through reform, opening up, and socialist construction in the past 10 years, our country has undergone worldwide-acknowledged profound changes and achieved unprecedented achievements. But it is also true that we have suffered setbacks and there are still quite a few shortcomings in our work. For example, an overheated economy has given rise to remarkable inflation; as a new order has not been set up in the socialist planned commodity economy, we are now facing such issues as official profiteering and unfair distribution; the party's leadership, party building, and ideological and political work have faded out and have been weakened; corruption has been prevalent among some party members and cadres; and so on. These shortcomings and faults have widely aroused discontent among the masses. However, even though the masses have nursed grievances to a varying degree, after all they support the CPC's leadership and socialism. This is the most basic objective fact in China. But the case of an extremely few counterrevolutionary conspirators was different—their purpose in creating turmoil and stirring up rebellion was to overthrow the CPC's leadership and to subvert the socialist people's republic. In order to fulfill their conspiracy, they always covered up their wicked intention but chanted as loudly as they could such slogans as opposition to official profiteering and corruption, which merely served as a "camouflage." These tactics worked in cheating the broad masses and young students in particular. Undoubtedly this was one of the important reasons to explain why so many people were involved in the recent turmoil and rebellion and why many people failed to awake although their being used was an obvious fact.

What should be particularly pointed out is that in the whole course of the current turmoil developing into rebellion, foreign hostile forces meddled in it from beginning to end. The international monopoly bourgeoisie has never dropped the idea of annihilating our country. They launched a frantic joint attack on us. To subvert the leadership of the CPC, and plot a peaceful

evolution of socialism in our country, they took advantage of our policy of reform and opening up to deliberately plan and spared no expense to carry out a long-term ideological and political infiltration into our country. A handful of persons at home who persisted in bourgeois liberalization for a long time bent their knees before foreign bourgeoisie, and sought after glory by selling out their own country to conform with the international climate. Both domestic and foreign forces collaborated and worked hand in glove to make long-term preparations for opposing the party in terms of the ideology, public opinions, and organizations. When the student unrest started, a tiny number of persons elaborately plotted to successively establish illegal organizations such as the "Autonomous Federation of Beijing College Students," "Autonomous Union of Workers," and so on. They utilized certain mistakes and defects in our work, certain discontent of the people, our temporary economic difficulties in addition to the support and shielding of a small number of leaders inside the party, to fabricate rumors, instigate the masses, and confuse and poison people's minds. The situation was thus aggravated and deteriorated, and went eventually out of control.

When recalling the painful experience, the party, government and young friends must make efforts to avoid the reoccurrence of a similar event in the future. To put it briefly, we must draw the following lessons from the incident for a long time in the future. 1. Under the condition that international tension is easing, the international monopoly bourgeoisie has not changed its strategy of peaceful evolution of socialism. We must not slacken our vigilance against this. 2. Under the condition that exploiting classes and exploiting systems have been eliminated at home, class struggle has still existed in a certain scope. Sometimes, it is very acute. The current turmoil and rebellion have manifested the intensification of class struggle. We must never forget this. 3. The four cardinal principles are the foundation for founding our country, whereas reform and opening up are the way for making our country strong and powerful. We must integrate them, and uphold them unswervingly and unremittingly for a long time. We must grasp them firmly with two hands, and place equal emphasis on them. 4. We must strengthen the core of leadership of the party, and ideological and political work. 5. We must continue to strengthen the building of socialist democracy and the legal system, and integrate them well. On the one hand, we must straighten out our ideology, uphold the four cardinal principles, make protracted efforts to oppose bourgeois liberalization, resolutely maintain the stability of our social and political environment. On the other hand, we must considerably improve our work, eliminate corruption and government profiteering, solve well the problem of unequal social distribution, and strive for a long time for the healthy development of our planned commodity economy, and the building of our socialism with Chinese characteristics.

[ZHONGGUO QINGNIAN] Students participated in the hunger strike voluntarily. Why did they become the "hostages" of a small number of persons?

[Yuan] As far as I know, students participated in hunger strikes under different situations. On the surface, certain students participated in the hunger strike "voluntarily." But they were ideologically utilized by certain bad persons and deceived by certain rumors. Under the environment and atmosphere at that time, and the influence of erroneous guidance of the public opinions, some students were compelled to participate in the hunger strike because they thought that it would be no good for them not to take part in the activities. Regarding some other students, they first participated in the hunger strike voluntarily, but repented later. However, they were misled by various kinds of the so-called "support." They were forced to the blind alley, and could not turn around. Of course, it was hard for students who participated in the hunger strike to accept the fact that they were forced to join the strike, and that they were the "hostages" of some persons. This is, of course, understandable. However, the problem is very clear if we examine the ulterior conducts of the organizers and plotters of the turmoil.

A ringleader of the "Autonomous Federation of Beijing College Students" Wang Dan said definitively: "The reason why we decided to start our hunger strike on 13 May was that we wanted to take advantage of Gorbachev's visit to China to put pressure on them." The "them" here referred to our party and our people's government. When ring leaders of the illegal student organization were plotting a student hunger strike, they regarded the party and the people's government as their enemy. They resorted to antagonistic means, took the lives of students as their stakes, and spared no international prestige of our party and state. In so doing, they tried to force the party and government to accept their political conditions for instigating the turmoil. At that time, the situation was very obvious. Can you not see it clearly? After the start of the hunger strike, they took various opportunities to fabricate rumors, instigated the masses, and whipped up public opinions to force the party and government to submit. They disregarded the lives and safety of students who participated in the hunger strike. To invite the interference of the so-called international organization, they drove rescue workers of our Red Cross Society out of Tiananmen Square. They organized the so-called "pickets" and erected the "picket line." They went on patrol, or were on guard around students who participated in the hunger strike. They strictly prohibited students participating in the hunger strike, or those whose lives were in danger from withdrawing. All this showed that they regarded students participating in the hunger strike as "hostages," and that they forced them to continue the hunger strike with death to try to coerce the party and the government with students' lives. There was the only explanation of the matter.

[ZHONGGUO QINGNIAN] Could not the grave consequences be avoided if the party and government leaders had held dialogue with students earlier?

[Yuan] Facts have answered this question long ago. To calm down the student unrest and check the turmoil, the party and government had done a great deal of work, made great efforts, and adopted a tolerant and restrained attitude. Our utmost tolerance and patience reached an extent which no other government in the world could bear. World opinion also agreed to this point for a period of time. In the course of the development from unrest to turmoil, Comrade Li Peng and many other state leaders held dialogues with students on many occasions. I myself and responsible comrades of many departments also took part in the dialogues. Even on the eve of the rebellion, the Bureau for Handling People's Letters and Complaints under the General Offices of the CPC Central Committee and the State Council had maintained contacts with the "Autonomous Federation of Beijing College Students." Nevertheless, the situation developed step by step to a rebellion. As pointed out by Comrade Deng Xiaoping, this storm, independent of man's will, was bound to come sooner or later. It is determined by the major international climate and China's own minor climate.

To prove this point, I would like to show our young friends another two facts.

First, numerous facts have proved that the ringleaders of the "Autonomous Federation of Beijing College Students" never had any sincerity in the dialogue. On 18 April, Wang Dan and others requested for the first time a dialogue with the responsible comrade of the Standing Committee of the National People's Congress [NPC]. Later they agreed holding dialogue even with members of the NPC Standing Committee. When the General Office of the NPC accepted their request, they rejected the offer and asked the NPC to send a representative instead to receive their petition in public before the east gate of the Great Hall of the People, promising that everything would be all right when the petition is received. And what about the results? Three hours after receiving their petition, the Xinhua Gate incident took place in which more than 2,000 people stormed the offices of the CPC Central Committee and the State Council. The situation of 13 May was the same. The Bureau for Handling People's Letters and Complaints under the CPC Central Committee, State Council, and NPC in the morning accepted the request for dialogue of some ringleaders of the "Autonomous Federation of Beijing College Students" and notified them of holding the dialogue on 15 May. On the one hand, the ringleaders accepted the offer; but on the other hand, they blamed the government's insincerity in the dialogue. They issued their prepared "hunger strike declaration" and started their hunger strike a few hours after they received the notice. All this shows that the ringleaders of the "Autonomous Federation of Beijing College Students" did not really want to hold a dialogue. They just wanted to take dialogue as an excuse to intensify the situation.

Second, the prerequisites and demands of the ringleaders of the "Autonomous Federation of Beijing College Students" for the dialogue determined that the dialogue promised no result and would not help solve any problem. In the petition handed over on 2 May, they pointed out that the legal student organizations should be excluded in the dialogue with the government. Moreover, leaders including a standing committee member of the CPC Central Committee, premier, and NPC chairman should be present. In the televised dialogue, both parties should designate in turn the time and location of the dialogue and issue a joint statement. How can this be regarded as a "dialogue" based on equal consultation and held to make the situation at the lower levels known to the higher levels, transmit the instructions of the authorities to the lower levels, and increase mutual understanding. It is but the posture assumed to hold political negotiation with the party and government. At that time, many comrades pointed out that the so-called "dialogue," that is, the prerequisites of the negotiations put forward by the illegal student organizations to the party and government, were harsher than the conditions proposed by a victorious nation to a vanquished nation. The purpose was to force the government to recognize that they are the only legitimate student organization and the political force having equal footing with the government. Apparently, these were unacceptable. If we had accepted the conditions, they would certainly set up an opposition faction in China, establish an opposition party, and demand administration by various parties in turn. If all this were true, instead of calming down, the situation would further deteriorate. As a consequence, there would be no tranquility for the state and the people.

[ZHONGGUO QINGNIAN] Could not the rebellion be avoided if the martial law troops had not entered the city?

[Yuan] As I have mentioned previously, the current turmoil and rebellion are the inevitable results of the long-term infiltration and subversive activities of international hostile forces in China, the spread of the bourgeois liberalization in China, some people within the party and even certain leaders sympathizing and backing bourgeois liberalization, and the failure to constantly uphold the four cardinal principles. The purpose of the turmoil and rebellion instigated by a tiny handful of counterrevolutionary conspirators was to overthrow party leadership and subvert the socialist people's republic. They would certainly not give up until they succeeded. Had the People's Liberation Army not entered the city, the students would have continued to occupy Tiananmen Square which is China's political center, continued to stir up trouble, and to spread the turmoil to the whole country until our legally elected people's government was overthrown.

They compelled the students to continue the hunger strike and sit-in. They erected the so-called "Goddess of Democracy" at Tiananmen Square at one moment and organized the so-called limited hunger strike among the

intellectual circles the next. They organized a handful of ruffians and hooligans from Beijing and other localities to establish the so-called "volunteers," "dare-to-die corps," and "flying tigers" in an attempt to use violence to overthrow the people's government, set up their so-called new government, and vigorously suppress the broad ranks of cadres and the masses who are loyal to the cause of the party and the people. They even made use of a single traffic accident to spread rumors and mislead the public and attempted to stir up a rebellion by organizing the so-called "coffin procession."

Had it not been for the imposition of martial law in some areas in Beijing and the shaping of a strong deterrent force by the People's Liberation Army [PLA], the counterrevolutionary rebellion would have long turned the attack of Xinhua into a reality. Facts have proved that nationwide stability and prevention of new turmoil in various places were possible only when the counterrevolutionary rebellion in Beijing was quelled by the PLA in a single action. Some young friends have posed the question. Would it not have been better for Beijing to refrain from resorting to the PLA, to absolutely avoid bloodshed, and follow the examples of Shanghai and Tianjin and rely on the workers and masses of all circles to organize social forces to halt the riot and to maintain order? We say that idea is well-wishing and a naive fantasy entirely deviating from reality at that time. If martial law had not been imposed in some areas in Beijing, the PLA had not entered the city proper, and resolute measures had not been adopted, the riot and counterrevolutionary rebellion would never have been pacified, and the nationwide situation would not had been rapidly stabilized, whereas the measures adopted by Shanghai and Tianjin would never have been effective. That was the truthful picture and the inevitable logic of the development of the incident.

[ZHONGGUO QINGNIAN] The government has promised not to settle accounts with the students, then why are students now under arrest?

[Yuan] We have actually arrested some people in the wake of quelling the counterrevolutionary rebellion. They are those people who have instigated, plotted, and conducted the riot openly or behind-the-scenes, who have violated the constitution and law, colluded with anti-China forces overseas in an attempt to topple the Communist Party and the socialist system in China, and who have been arbitrarily engaged in beating, smashing, looting, and torching, and seriously violating the law; among those apprehended are also a very small handful of ringleaders of illegal student organizations, who have committed crimes of various descriptions. That is out of the need to thoroughly pacify the rebellion, stabilize the nationwide situation, consolidate the socialist people's republic, and safeguard the people's basic interests, and we just cannot help it. Regarding those people, we shall put them on trial and handle their cases based on facts in accordance with the law. This is quite another kettle of soup from the so-called "apprehending of students." So the concept, "apprehending students" does not exist.

Regarding those students who participated in parades, demonstrations, sit-ins, and hunger strikes, and even those who were involved in radical and erroneous speeches and actions, the party and government have said on many occasions that our policy is lenient, and their responsibilities will not be investigated and affixed. Of course, our students should conduct profound review through conscious study, and sum up their experiences and lessons. As to their practices of violating the legal system in the riot and rebellion, we have never approved of them, sometimes, out of consideration of the whole situation, we were compelled to adopt necessary measures to halt them. However, we know very well that aside from reasons in themselves to account for their mistakes, we are also responsible for having neglected education among the young people and some problems in our work exist in other areas. Among many important things that we should do from now on is to work hard together with the students, to deepen our understanding, and to do a better job in resolving the problems existing in our progress, so that we may continue to push forward our reform, opening up to the world and construction.

[ZHONGGUO QINGNIAN] The great "April 5th" Movement had also been charged as a counterrevolutionary activity; is there any possibility for the recent incident to be redressed?

[Yuan] The recent rebellion is an issue completely different from the 1976 "April 5th" Movement. The "April 5th" Movement was, in nature, directed against the "gang of four" and its ultra-left lines, and aimed to support the correct lines represented by Deng Xiaoping. The turmoil and the counterrevolutionary rebellion in the April-June period, however, were directed against the Communist Party, the people's government, and the four cardinal principles, and advocated bourgeois liberalization and establishment of an anticommunist and antisocialist bourgeois republic entirely dependent on Western superpowers. Moreover, the "April 5th" Movement created conditions for the smashing of the "gang of four" and for the reforms and development of the country, but the turmoil and rebellion led to a bloody incident and enormous political and economic losses, hampering the smooth progress of the country's reforms and opening to the world and economic development. Therefore, the "April 5th" Movement as a patriotic movement was soon redressed, but the recent incident will never be redressed, and any attempts to reverse its verdict will never succeed. The evil plot of a very small handful of counterrevolutionaries to "reverse the verdict" of the recent rebellion will never come true, unless the CPC is really overthrown and the socialist system is toppled in China. That, I think, the entity of Communists and the Chinese people will never come to terms with.

Qiao Shi Addresses Central Party School Opening
OW 0109225189 Beijing XINHUA Domestic Service
in Chinese 1408 GMT 1 Sep 89

[By reporter Hu Qinghai (5170 3237 3189), Local Broadcast News Service]

[Text] Beijing, 1 Sep (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the

CPC Central Committee and president of the Central Party School, addressed the 1989 fall semester opening ceremony of the party school today. He said: Strengthening the study of basic Marxist theory among all party members is the fundamental way to strengthen party leadership and party building. All party members, senior and middle level cadres in particular, should further devote themselves to seriously studying basic Marxist theory.

Qiao Shi said: Overall, our party has withstood tests in the recent struggle to stop the turmoil and quell the counterrevolutionary rebellion. The majority of party members and cadres have demonstrated a healthy attitude. However, there are indeed some party members and cadres, who failed to take a firm and unequivocal stand, or even lost their bearing and committed serious mistakes or crime. Among such party members and cadres, except for a few political opportunists and reactionaries, there are quite a good many who could not withstand tests during the critical juncture because of inadequate political and theoretical awareness and ideological confusion influenced by bourgeois liberalization. Therefore, it is of utmost importance to step up the study of basic Marxist theory among all party members.

Qiao Shi said: Studying basic Marxist theory in close combination with China's reality is a fine tradition and work style of the CPC. Mao Zedong Thought is the product of combining Marxism with China's experience in revolution and construction. Comrade Deng Xiaoping's works, an important component of Mao Zedong Thought, have enriched and developed Mao Zedong Thought under the new situation. Comrade Deng Xiaoping is the founder of the theory of building socialism with Chinese characteristics. Therefore, it is hoped that comrades will seriously read some books on Marxism-Leninism and works by Chairman Mao and Comrade Deng Xiaoping, as well as read some books by other older generation proletarian revolutionaries whenever possible. It is necessary to apply the basic theory already mastered in studying new problems that have cropped up in the course of building socialism with Chinese characteristics and exploring new ways to solve such problems. Only when the party's senior and middle level cadres master the basic Marxist theory will it be possible to more effectively educate our party members in Marxism.

Urging the party school students to diligently study the documents of the 4th Plenary Session of the 13th CPC Central Committee and recent speeches by Comrade Deng Xiaoping, Qiao Shi said: These documents and speeches are the guiding principles for us to sum up experience, and they should be studied, comprehended, and implemented earnestly by the students in their action.

Qiao Shi said: Through study, we should obtain a clear understanding of the situation, oppose bourgeois liberalization in an unequivocal manner, and steadfastly take

the road of building socialism with Chinese characteristics. Qiao Shi said: It is a long-term struggle against the reactionary strategy of the international hostile forces dreaming of peaceful evolution in China, and against bourgeois liberalization. Under no circumstance should we lower our guard in this struggle.

NPC Group Urges Invigoration of Agriculture

OW0109121789 Beijing XINHUA in English
1152 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—China's agricultural situation is still facing challenges and there is no room for complacency, senior legislators said here today.

Agricultural production has seen no fundamental changes in its ups and downs in recent years, members of the Standing Committee of the National People's Congress (NPC) said at the committee's ninth meeting.

Despite the fact that the summer grain harvest hit a record, the agricultural situation is not that optimistic, they said when discussing a report given by Vice-Premier Yao Yilin on the execution of the 1989 National Economic and Social Development Plan.

Some rural areas have seen reductions in farmers' enthusiasm for production, quality of agricultural workers, land fertility and ability to combat natural disasters, member Zhang Chen complained.

With an increase of more than 70 million in China's population over the past five years, the amount of grain for each person per year is 30 kg down, member Zhang Gengsheng said.

Measures should be taken as soon as possible to ensure that the annual amount of grain per person hits 400 kg by the end of this century, when the population will rise to 1.25 billion, the member went on.

Yao's report failed to make a clear estimation of the seriousness of the country's agricultural situation, member Yang Ligong said, adding that agriculture is still the weakest link in the whole national economy.

Investment should be increased and modernization stepped up in this sector, he suggested.

Agricultural legislation should also be strengthened, some members urged.

Central Leaders Pay Respects to Zhou Yang

OW0509160389 Beijing Television Service
in Mandarin 1000 GMT 5 Sep 89

[From "National News Hookup"]

[Text] A ceremony to bid farewell to Comrade Zhou Yang's remains was held this afternoon [5 September] in the auditorium of the Babaoshan Cemetery for Revolutionary Martyrs in Beijing. Comrade Zhou Yang died of illness in Beijing on 31 July at the age of 81. Deng

Xiaoping, Chen Yun, Li Xiannian, Peng Zhen, Deng Yingchao, Xu Xiangqian, Nie Rongzhen, Wang Zhen, Li Tieying, and other comrades sent wreaths. The Central Advisory Commission; the Central Discipline Inspection Commission; the National Chinese People's Political Consultative Committee [CPPCC]; the General Office, the Organization Department, and the Propaganda Department under the CPC Central Committee; the Ministry of Culture; the China Federation of Literary and Art Circles; and other units also sent wreaths. Party and state leaders who sent wreaths and also bid farewell to the remains included Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, Ding Guangen, Song Renqiong, Wen Jiabao, and other comrades. [video opens with a long shot of a large hall with Zhou Yang's portrait placed at the center of a wall and his remains in the foreground, followed by a pan shot of the wreaths sent by Deng Xiaoping, Yang Shangkun, Li Peng, Li Xiannian, Chen Yun, and others; video cuts to show Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, Ding Guangen, Song Renqiong, Wen Jiabao, and others standing with heads bowed]

Comrade Zhou Yang was an outstanding CPC member, a proletarian revolutionary, and a famous Marxist theoretician in the field of literature and art. He was one of the pioneers in the proletarian revolutionary cultural movement and a brilliant leader on the party's literary and art front. Zhou Yang, also known as Zhou Qiying, was born in Yiyang County, Hunan Province, in 1908. Joining the CPC in 1927, he graduated from Daxia University in Shanghai in 1928. He went to Japan to study in 1928. After returning to Shanghai in 1930, he led the movement of Left-Wing Literature and Art and served as the party and youth league secretary of the CPC-led General Union of China Left-Wing Culture, secretary of the China League of Left-Wing Writers in Shanghai, and chief editor of the LITERARY MONTHLY JOURNAL, a magazine published by the China League of Left-Wing Writers, making significant contributions to expanding the influence of Marxist literary and art theories and developing the proletarian literary and art movement.

After the War Against Japanese Aggression broke out, Zhou Yang left Shanghai in 1937 for Yanan. He served as director of the Education Department of the Shaanxi-Gansu-Ningxia Border Regional Government; president of the Lu Xun Institute of Arts, and president of Yanan University. During the War of Liberation, he served as director of the Propaganda Department of the CPC Shanxi-Chahar-Hebei Regional Bureau and director of the Propaganda Department of the CPC North China Bureau. After the liberation of Beijing and Tianjin in 1949, he, together with Guo Moruo and Mao Dun, made preparations for the first congress of literary and art workers in the country and was elected vice chairman of the China Federation of Literary and Art Circles. During the 17 years after the founding of New China, Comrade Zhou Yang worked at various leading posts in the fields

of literature and art and propaganda and made contributions to developing China's socialist literature and art and its ideological and theoretical work.

Later, he was persecuted by the Lin Biao-Jiang Qing counterrevolutionary clique and spent 9 years in prison. After the smashing of the gang of four, Comrade Zhou Yang resumed his work. He was elected member of the 11th CPC Central Committee and served as vice president of the China Academy of Social Sciences; chairman of the China Federation of Literary and Art Circles; and deputy director of the Propaganda Department of the CPC Central Committee. Comrade Zhou Yang devoted his entire life to the cause of liberation of the Chinese people and the cause of revolutionary culture.

Some 500 people of all walks of life in the capital participated in today's ceremony to bid farewell to Comrade Zhou Yang's remains.

Yan Mingfu Reiterates Need for Multi-party System

*OW0509125589 Beijing XINHUA in English
1227 GMT 5 Sep 89*

[Text] Beijing, September 5 (XINHUA)—A senior party official reiterated here today that China will not change the multi-party cooperation system.

Addressing the Fourth Plenum of the Fifth Central Committee of the China Democratic National Construction Association, Yan Mingfu, head of the United Front Work Department of the Chinese Communist Party (CPC) Central Committee and vice chairman of the National Committee of the Chinese People's Political Consultative Conference, said that the Chinese Communist Party and the non-communist parties will persist in following the principles of "long-term coexistence and mutual supervision," and "showing utter devotion to each other and sharing honor or disgrace" in order to develop the country.

The CPC Central Committee has reiterated constantly that the Communist Party and non-communist parties are earnestly cooperating and have very intimate relations. Long-term cooperation and trust were established under the auspices of late Chairman Mao Zedong and Premier Zhou Enlai, Yan said.

The relationship has undergone a new test. Since the recent social turmoil, cooperation between the Chinese Communist Party and the non-communist parties has developed rather than split. This shows that the foundation of the multi-party cooperation is sound and can withstand tests and that the future is bright.

Yan Mingfu pointed out that the multi-party system in China has its own characteristics and differs from the two-party or multi-party systems in the West. First, the prerequisite for the system is that all the non-communist parties recognize the leadership of the Chinese Communist Party; second, the system takes serving socialism as its goal; third, all the non-communist parties share in

state power and governmental work along with the Communist Party of China. Such issues as a non-ruling party, an opposition party or being alternately in and out of office are out of the question; and fourth, all parties are recognized and protected by the constitution, and they have political freedom, organizational independence, and legal equality in the constitutional realm.

Cooperation between the Communist Party and the non-communist parties is reflected in politics, economics, culture and other aspects of social life and the cooperation system is the basic political system conforming to China's reality.

The correct multi-party cooperation system which has been proved by practice over the past four decades will develop on a new basis in the future so as to promote the construction of socialism with Chinese characteristics.

Paper Publishes Deng Article on Construction

HK0409062889 Beijing JINGJI RIBAO in Chinese
24 Aug 89 p 1

[Article by Deng Xiaoping: "The Main Task From Now On Is Construction" in 8 April 1957"]

[Text] Editor's Note: The article "The Main Task From Now On Is Construction" is selected from the newly published "Selected Works of Deng Xiaoping" (1938-1965). The consistent thought of Comrade Xiaoping is to build a socialism with Chinese characteristics, based on our own national situation. The article expounds on a range of vital principles to which we should pay attention to in socialist modernization. It embodies Comrade Xiaoping's thought just mentioned above, and has a very important guiding significance for the present and future reform and construction. [end editor's note]

What we did in the early phases was revolution. With last year's completion, basically, of the socialist transformation in agriculture, handicraft, and capitalist industrial and commercial sectors, the revolutionary mission was basically completed. What is the future task then? There is still some work for the future task, but it is not much. The main task in the future is construction. The mission put forward at the 8th National Congress of the CPC (Footnote 1) (The Eighth CPC National Congress was held in Beijing from 15 to 27 September 1956. The congress analyzed the situation following the completion of socialist transformation of private ownership of the means of production and set forth the task of carrying out socialist construction in an all-around way. At the congress, Mao Zedong made the opening address, Liu Shaoqi delivered the political report, Zhou Enlai delivered the report on "Proposal for the Second 5-Year Plan of National Economic Development," and Deng Xiaoping delivered the "Report on Revision of the Party Constitution." Zhu De, Chen Yun, and Dong Biwu also made important speeches at the congress. The congress adopted the "Resolution on Political Report," the "CPC Constitution," and the "Proposal for the Second 5-Year Plan (1958-1962) of National Economic Development,"

and elected the new CPC Central Committee. The Eighth Party Congress formulated the correct line and illuminated the direction for party building and the development of the socialist cause.) was to mobilize every positive factor in striving for transforming our country into a great socialist industrialized country. Henceforth for a very long time, this will be our task. We do not know how many years it will take. Such task is a little more difficult than revolution, which we are more at home with. At least construction will not be less easy than revolution. In this area the whole of our party is primary students. Our skill is crude. Nobody will deny that we have a way with revolution—we succeeded in it. But we cannot say we have much skill in construction.

Undeniably, the results we have achieved in various areas, including those in construction, are great. Our country has indeed developed fairly quickly. There is overall a new atmosphere. Xian, where I visited toward the end of 1952, is wholly different from then. Now there are many modernized industrial enterprises. It is the same in some other large cities. Last year we did many things, and it cannot be denied that in some areas we have done too many and in too hasty a manner, and for this reason we find ourselves today in a passive position, and perhaps in the same passive position even tomorrow. But all in all, the results achieved last year were outstanding. Last year, socialist transformation was basically completed, and capital construction developed very quickly. Agriculture was struck by disasters, but it went through the trial without a hitch, thanks to the implementation of collectivization. In short, the results in various areas over the last few years have been great. It is wrong not to have seen this.

But we must not overstate our own achievements, and we must not paint too perfect a picture of our work. Painting too perfect a picture, and viewing things in a simple light will prompt us, when conducting propaganda work, to depict our country as a beautiful land, as if there were no difficulties of any kind and what remained was to enjoy ourselves. In the minds of some cadres, the idea is that since I have served for the revolution for many years, and the country has some foundation now, it is time people satisfied my desires. In fact we still have many difficulties, and the problems confronting us now are much more complicated than the past. We must perceive that, despite the great results, the rapid development in industrial production, a foundation for industrial construction and the building up of many enterprises, ours is still a poor, backward country. It will take long-term, arduous efforts to develop such a poor and backward country into a socialist, advanced, and industrialized country. This means that we must have the ability to build the country in a hardworking and frugal fashion. Why? Because you are poor! If confronted with a poverty-stricken situation we do not know how to economize and work hard in building the country, this country will not develop. Our party and people were quite capable in the past class struggles—

otherwise how could the revolution have been accomplished? Mainly our party and cadres have mastered the science of class struggle.

But as far as the science of transforming nature is concerned, our party and cadres understand none, or too little of it. Of course we have some talents, but the number is small. It is not enough. Our scientific and technological standards remain rather low. Judging from the past few years of construction, our knowledge has proved too little, and we have not learned how to economize and work hard to build the country. Chairman Mao said, it took us more than 20 years to master the art of revolution, and in this process we made blunders, too. The so-called "more than 20 years" refers to the setting up of the party in 1921 through the Seventh Party Congress in 1945 (2). (Footnote 2) (The Seventh National Party Congress was held in Yanan from 23 April to 11 June 1945. At the congress, Mao Zedong delivered the political report entitled "On Coalition Government," Zhu De delivered the military report "On the Battlefields in the Liberated Areas," Liu Shaoqi delivered the "Report on Revision of the Party Constitution," and Zhou Enlai made the important speech "On United Front." The congress laid down the party's line, that is, "Go all out to mobilize the masses, increase the people's strength, and under the leadership of the party, defeat the Japanese aggressors, liberate the people of the whole country, and establish a new democratic China." The congress adopted the new party constitution and elected the new CPC Central Committee. The new party constitution stipulated that Mao Zedong Thought, which integrated the theory of Marxism and Leninism with the practice of Chinese revolution, will be the principle guiding all work of the CPC. The congress was a congress of unity and victory.) Of course as far as the party central authorities are concerned, the problems of revolution were resolved at the Zunyi Conference (Footnote 3) (The Zunyi Conference refers to the enlarged meeting of the CPC Political Bureau held in Zunyi, Guizhou in the course of the Long March in January 1935. The conference discussed and corrected the military and organizational mistakes, ended the rule of Wang Ming's "leftist" opportunism in the CPC Central Committee, established the leading position of Mao Zedong in the Red Army and the CPC Central Committee, and saved the Red Army and the party at the most critical juncture.) In the 40 years from 1921 through the Seventh Party Congress, our party made one mistake of "rightist" opportunism, and three times the mistake of "leftist" opportunism (Footnote 4) (The mistake of right opportunism refers to the mistake of right capitulationism represented by Chen Duxiu in 1927. The mistakes of "left" opportunism on three occasions refer to the mistake of "left" putschism represented by Qu Qiubai from November 1927 to April 1928, the mistake of "left" adventurism represented by Li Lisan from June to September 1930, and the mistake of "left" adventurism represented by Wang Ming from January 1931 to January 1935 before the convocation of the Zunyi Conference.). In particular, the third "leftist"

opportunism almost destroyed the whole of our revolutionary strength. Ninety percent of our revolutionary bases crumbled. The losses were great and the price steep. Chairman Mao said, now we are engaged in economic construction, is it possible for us to spend less than 20 or so years mastering the skill of economic construction, and not to make any serious mistakes or tumble down? The meaning of the statement is, if we handle well the job of economic construction, we may suffer a serious fall and make serious mistakes. There have been precedents. A socialist country made serious mistakes and tripped up. The thinking that we will not trip up over the problems of construction is unrealistic. If we do not learn well and sum up our experiences, we will likewise trip up over the problems of construction.

We must learn how to proceed in construction in a relatively short time, without the process committing any serious mistakes or suffering a heavy fall. Can it be done? I think it can. Because the conditions for construction enjoyed by our country are good. Compared with the Soviet Union shortly after the October Revolution, we have less difficulties. First of all, the international situation offers us a favorable environment. Second, we have the experiences of the Soviet Union and other socialist brotherly countries. One of the reasons we have developed relatively rapidly in these last few years is that we have enjoyed the Soviet experience and its aid. Of course this is not to say that everything was right and without weak points in the period of Soviet aid. But overall without its help we could not have achieved so much. We must continue to learn from the Soviet Union, and learn well. It is very useful to learn the good things from the Soviet Union, and we will benefit much from the mistakes that they made. We must be good at drawing lessons from the Soviet experience, and this way we avoid making more mistakes. Of course we must also learn every experience from advanced countries around the world. We will learn from every country, including the United States, if they have anything advanced. But first we learn from the Soviet Union, because right now only the Soviets, and other socialist brotherly countries are helping us, for—remember?—the United States has imposed an embargo on us!

In the meantime, we ourselves have acquired some experience in construction. We have about 7 or more years of experience in construction. In some regions, like the northeast, construction started even earlier. This period of experience is very important, and we must not take it lightly. For this represents our own experience which, when summed up, will give us more benefit. The construction in these few years is, for the most part, successful, although there are plenty of mistakes. We must accept our successful experience as well the lessons of mistakes. We must be good at learning the international as well as our own experiences.

Both the international and national conditions are good for us. The problems now are if we can exploit this situation, and if we can spend very little in achieving

very much, and if we can continuously sum up experiences, let positive results develop, overcome our weak points and avoid making serious mistakes. All these problems hinge on party leadership. In the past, the key to handling well the revolutionary problems lay in party leadership, and the key now to handling well the construction problems lies, also, in party leadership. That is to say, the key is whether the party is good at learning lessons. Learn well and we can avoid making serious mistakes, and can spend a little less in doing many things. And the key here is if the party can rely on the masses, continuously overcome subjectivism, bureaucratism, factionism and, in particular, doctrinism, in our own rank-and-file, for these ideological mistakes in the revolution will separate us from the masses and reality. Similarly, in construction, if we fall into subjectivism, bureaucratism, and factionism, we will be cut off from the masses and reality, our target of building the country in a hardworking and frugal fashion will not be fulfilled. These mistakes will render us unable to mobilize all positive factors to help build well the construction.

In the past few years we have achieved tremendous results in construction. Every party and sector, and people of the whole country, have made achievements. We, the Communist Party members have also made achievements. This is the fundamental point, and should be the first thing to be noticed by us. If we fail to perceive this point we will lose confidence. At the same time we must also perceive the grave weak points revealed in construction. In particular, the subjectivistic thinking wholly detached from reality, and, more importantly, the doctrinaire tendency in the past year or so, deserve our serious attention. For instance, some of our comrades have been prone to demand the biggest and most modern of construction. This formalistic thinking cut off from the reality has cost us dearly. Do we want newer and bigger things? Definitely. Moreover they are the backbone in our construction, such as Xiang An Steel Plant and some large-size enterprises in Xian. If we do not build new things, and if we lack backbone enterprises like Xiang An Steel Plant, we will not be able to tackle technological problems on a higher plane. In the future we will build some large-size and new enterprises. But we cannot apply the standards of largeness and newness to everything. In particular we cannot take whatever is large-sized and new as good. This is not always the case. Speaking of the problem of scale, of course we want scale, and whenever we can we should pay attention to it. But we must not be trapped in formalistic thinking. We cannot waste state funds and jeopardize the work on hand in pursuing the goal of scale.

The enterprises we have right now, especially the large-size ones run by the central authorities, suffer serious wastage. If we can handle it well, we can perfectly save much funds by using relatively less money to build enterprises equally large in scale and equally advanced in technology. Some of our enterprises are really large in their scale, taking up much space. In the front of every one of these factories there is a very large open area and

an office building. Will these factories manage without these constructions? Is it possible that they can still direct production in a much tuned-down scale? Much money is spent for the wrong reasons, and in some of this lavishing of funds, the central authorities played a leading role. Some members from the central authorities have the general demeanor of "big shots," carrying with them a haughty style. Such behavior has given a bad example to local industries. For instance a low-cost provincial coal mining unit will raise its cost when it comes under the central coal administrative bureau. When it is at the local level it keeps its account, but when subsumed under central administration it throws away its account. There will not be any consequence when losses are incurred, the state subsidies can afford the losses anyway. They do not do such things in the Soviet Union, nor in capitalist countries such as the United States and France—not even the Kuomintang [KMT]. There are many corrupt bureaucrats inside the KMT, but KMT have done a better job than we have in running enterprises.

Many of China's national capitalists started from plain living and hard struggle. They are better than us in running enterprises. When I came here last time, I was told that the factory buildings and workers' dormitories of the 13 joint state-private enterprises were obsolete. The residence of the factory director was also simple. I advised the municipal party committee to organize the comrades of state enterprises to go and have a look. I also advised the comrades of the provincial party committee to visit Shanghai. A number of enterprises there have developed from scratch. They are economical and practical. Our comrades should change their ideas after the visit. There is much valuable experience which we should learn from and follow. Large enterprises, above all the central enterprises, should never be hot-headed. The pursuit for everything new, large, and grand constitutes a divorce from China's reality. We should advocate the style of doing things simply and thriftily, plain living, and hard struggle. In my opinion, it is socialism which truly stresses economy. I saw a factory in Lanzhou with simple and crude equipment. The office of the factory director was also simple. Yet the factory turned out quality products. Of course I do not mean that all enterprises should follow this pattern, but that they should learn from this spirit in their operation and management.

There are also a number of problems in urban planning. Planning is necessary and it would be inappropriate to have no planning. The question is how should we carry out planning. Planning also requires guiding ideology because poor planning may result in enormous waste. It is said that the drawing of Xian's urban planning is full. Actually, there is a lot of space which may need years to be filled. I saw some cotton mills and factories of the Second Machinery Ministry, each built at an interval of a distance. The factories also occupy a large area. I suppose a lot of money is required to build these factories.

In the relations between "bone" and "meat," (Footnote 5) ("Bone" and "meat" are vivid terms used by the planning departments for classifying the projects while distributing investment in capital construction. "Bone" generally refers to the industrial and communications projects. "Meat" refers to the various facilities such as scientific research, education, public health, commercial catering centers, workers' residential area, and urban public utilities established to coordinate production and meet the workers' daily needs.) the pursuit for new and large also exists in the demand for "meat." In our urban planning in the past, we failed to pay due attention to "meat." It is a fact that we paid no attention to the establishment of department stores and barber shops. Now this problem must be solved. We cannot leave it unsettled because it is a problem related to the system. However, it should be emphatically pointed out that a lot of money was spent in this regard. The problem is that the money was not properly used. From now on, we should spend less money to solve more problems. The central authorities should pay due attention to the question of "meat," while the localities should take note of spending money appropriately. Of the places I saw during my current tour, some failed to solve problems even by spending huge sums of money. To put it bluntly, my impression of Lanzhou is much better than Xian. I saw many simple things in Lanzhou. Films could be projected in a theater with comfortable seats. I suppose such a theater can be built with only 100,000 yuan or even less. As a matter of fact, with the money for one grand cinema, we can build several small-size simple cinemas in more districts. Since ours is a large country, I am not against developing some grand projects to manifest our new atmosphere. However, we should not go too far in this regard. Now I think we have gone too far and we should stop the development of such grand projects in the years ahead. With the spirit of developing simple and crude things, the problem of "meat" can be solved and we can use the money in places where it is needed most such as repairing sewers. There are large numbers of cinemas in Xian's urban area, but none in the industrial area. Those who want to go to cinemas cannot find one, while the cinemas in the urban area cannot attract customers. Obviously, this distribution is inappropriate. There are many simply equipped shops at the City God Temple in Xian. Why can we not develop some more in the industrial area? Are not people complaining about the difficulties in transportation? If our urban construction is well-distributed and more simply equipped stores and barber shops are built in the densely populated areas, the problem of transportation can be solved. We should build schools in places where the masses dwell. By developing fewer large size school buildings, we can build more simply equipped schools. In a word, all this constitutes the guiding ideology for urban planning and for handling the relations between "bone" and "meat."

The guiding ideology for our construction is:

First, face the country's reality. We should not divorce from our reality. What does dogmatism mean? Dogmatism means a divorce from one's reality. Experience is a good thing. But it may turn into a bad thing if not properly assimilated. There is a lot of good experience in the Soviet Union. However, the results would be bad if we adopt the dogmatic method to learn from Soviet experience. Ours is a poor country with numerous difficulties. This question must never be neglected. Have we not stressed increasing production and practicing economy? This is because we are poor. We should face our reality and take economy, practicality, and beauty into account while carrying out construction. Premier Zhou Enlai mentioned this in 1953. Some comrades are fond of beauty. Naturally, beauty is good and accepted by all. Nevertheless, we should take beauty into account only under the conditions of economy and practicality. If beauty cannot be attained, let it be. We can talk about it when we are well-off in the future. Today we should focus our attention on economy and practicality.

Second, face the needs of the masses. While considering problems, the needs of the masses are often neglected. Except for the mass viewpoint, there are now various kinds of viewpoints which pursue all kinds of doctrines including communism. Instead of solving the problems that can be easily settled, some people prefer using money in inappropriate places. They have failed to pay due attention to solving problems for the masses with a small amount of money or with no money at all. In our construction work, we should face the masses, discover problems, and solve problems. This should also be the case for building schools and amusement centers and handling the relations between "bone" and "meat."

We should acknowledge that our party did a good job in leading construction in the past. The work in this regard has been weakened recently and in the use of money we have failed to face the country's reality and the needs of the masses. In propaganda we always try to say how beautiful and rich our country is. Some young students and workers have stirred up trouble because they feel that the state has not given them much, has not satisfied their demands, and has been unfair to them. The cadres also have such a feeling. Following their transfer to urban areas, they do not want to go to the countryside. Although we are poor, our appearance is decorated to make others believe that we are rich. For this reason, I advised Xian to intentionally place some simple and crude things around the tall buildings which may be useful in educating young people. In short, while carrying out construction we should not divorce from practice or the actual living standards of the masses. A review of the past shows: First, we have achieved great successes. We should do better in the years ahead. Second, mistakes and shortcomings are unavoidable. We should carry out criticism in a positive way and never lose our confidence. Mistakes are not a problem of any individual. If there are indeed mistakes, the responsibility should be undertaken first by the central authorities. Experience is a valuable thing which we intend to

buy. In the years ahead, we should continue to buy experience and strive to spend less money to buy more experience.

NONGMIN RIBAO Reports on 1962 Deng Speech

*HK0509110189 Beijing NONGMIN RIBAO
in Chinese 2 Aug 89 p 1*

[“Part” of Comrade Deng Xiaoping’s speech delivered 7 July 1962 when meeting with comrades attending the Seventh Plenary Session of the Third Chinese Communist Youth League Central Committee (see “Selected Works of Deng Xiaoping,” pp 304-309): “How To Revive Agricultural Production”]

[Text] We have adopted some economic measures during this period and we can say that the general situation is better than in the previous period. When we say it is better we do not mean that our production has developed but that our readjustment has begun to take effect. The problems of food, clothing, and other daily necessities cannot be solved all at once. However, provided we go on implementing the current policy of readjustment we will surely be able to overcome difficulties and make improvements in a shorter period.

In order to overcome difficulties and strive for a fundamental improvement of our financial and economic situation it is necessary to start reviving agriculture. Without good agriculture industry will have of no hope and the problems of food, clothing, and other daily necessities cannot be solved. In order to revive agriculture it is necessary to formulate a series of policies, especially in the following two main aspects: First, to mobilize the initiative of the peasants so that they can enthusiastically develop agricultural production and can produce more grain and revive the production of industrial crops. Second, to cause industry to support agriculture.

Grain output was 390 billion jin in 1957, 290 billion jin last year, and I am not sure whether it will reach 300 billion jin this year. Another problem is the weather. This year, some places have suffered floods while others have experienced drought. Judging from the overall situation, this year’s grain output will not be lower than that of last year. However, even if it reaches 300 billion jin, some 90 billion jin needs to be added in order to reach the 1957 level. We must consider what methods we should take and how long we should spend in order to revive grain production and, with the increase in grain output, revive the production of industrial crops. It seems at present that agricultural problems should be solved mainly by means of production relations. In other words it is necessary to mobilize the initiative of the peasants. Some rural people’s communes in our country today are still practicing ownership by the commune. As the masses do not want to break up, they may preserve what they can preserve. Some communes are taking the production brigade as the accounting unit but more are taking the production team as the accounting unit. At present, some new phenomena have appeared in some

places where the production team is the accounting unit, such as “fixing farm output quotas for each household,” “fixing responsibilities for each field,” and “five unifications.” I am afraid that over 20 percent of households have adopted various forms of “fix farm output quotas for each household.” This is a big question and how do we answer it? The central authorities will study it at their August meeting. Today, there is a “contention of a hundred schools of thought.” On such questions it is necessary to “let a hundred schools of thought contend” so that we can finally find a method after people have aired their views.

What is the best form of production relations? I think it may be appropriate for us to adopt whatever form can help revive and develop agricultural production more easily and quickly, which the masses are willing to adopt, and legalize those that were originally illegal. These are all tentative ideas. No final decisions have yet been made and they may not be realized in the future. Comrade Liu Bocheng often quotes a Sichuan saying: “All cats that catch rats are good cats, whatever color they may be.” He uses it to refer to fighting battles. The reason why we were able to defeat Chiang Kai-shek was that we did not follow old rules in fighting but kept doing everything in light of the real situation until we won the victory. Now, in order to revive agricultural production we must also do things in light of the situation. On the question of production relations we must not completely adopt a fixed form but adopt whatever forms are conducive to mobilizing the initiative of the masses. Judging from the current situation, either in industry or in agriculture, we will be unable to advance unless we make a step backward. Do you not recognize this retreat? Is agriculture not retreating? Are the communes not retreating? In the past, the commune was taken as the basic accounting unit, then the production brigade. But now the production team is taken as the basic accounting unit. Further advance can be achieved only after retreat. At present it is necessary to fully mobilize the initiative of the masses and give play to their potential. The first step is to revive grain production and the second is to revive the production of industrial crops. At the same time the production of farm tools and animal husbandry must also be gradually revived.

This means a readjustment in production relations and a test for us as well. Of course, the whole party must have a unified idea and a definite viewpoint. For example, to continue to take the production team as the basic accounting unit we must try to convince the masses and strengthen the ranks of cadres. This is one possibility. Another possibility is to legalize those who have contracted output quotas on a household basis. All these are just some tentative ideas. As to what measures will finally be adopted, the whole party and the central authorities are now pondering this question. It is necessary to ponder such questions calmly. In the past, we did not give full consideration to such questions and rashly popularized them throughout the country. Instead of making allowances for certain areas in light of their

specific conditions, we made up our minds and popularized some measures rashly and hastily. I have said previously that we launched too many movements and they were all nationwide movements. This will not do. Sometimes we need to launch a movement, such as the Land Reform Movement, but we must also take different methods in different stages.

What I have just mentioned are some policies to be adopted in the rural areas. Our purpose is to produce more grain, to grow more trees, and to breed more cattle. Thus, the peasants, who have more to eat and more to sell to the state, will be more satisfied. Generally speaking, it is necessary to consolidate the collective economy throughout the country and to consolidate the socialist system. This is a fundamental orientation. Of course, it is also necessary to solve concrete problems in our work and in our leadership. In the rural areas it is still necessary to readjust production relations at the primary level and to recognize diverse forms of production relations. In my personal opinion, diverse forms may be better.

To revive agriculture it is also necessary to successfully handle the relationship between the city and the countryside. When there are more people in the cities the peasants' grain rations will be affected as they will have to offer more grain to the cities. Thus, agricultural revival will become difficult. For example, when the urban population is increased by 10 million, an additional 4 billion jin of grain will have to be supplied; if it is increased by 20 million, 8 billion jin more will be needed; and if increased by 30 million, 12 billion jin more will be required. It seems that on an average each person has just over 30 jin of grain a month. But this is actually a very big figure, because in our country there are only just over 300 counties that can produce more grain!

There are two things that will affect the peasants' grain rations. One is the urban population. In this regard it is necessary to think of a way to reduce the urban population. It is necessary to further reduce the urban population by 20 million or more this year and next year on the basis of last year's reduction of over 10 million. If this is realized the urban population will be kept at the 1957 level. The other thing concerns the cadres in production brigades and production teams under the commune level. The number of such cadres is considerably large. If we can solve this structural problem and cut down on the number of such cadres, factors affecting the peasants' grain rations will be greatly reduced. When the grain rations of the peasants are increased, fodder supply will also be guaranteed and the peasants will be able to raise more pigs. There will be no more deaths of large animals and animal husbandry can be gradually developed. Of course, there is also the question of production relations in this respect. For example, what should be taken as the main method for raising large animals? Should they be mainly raised by the peasants privately or collectively?

To solve this structural problem involves changing the current relations between the commune, the production

brigade, and the production team. As to what methods should be adopted to solve this problem, the central authorities have repeatedly pondered this question. At present, the comrades in the provincial party committee still have different opinions. Most comrades are actually demanding abolition of the production brigade level. Cadres at commune and production brigade levels are only engaged in leadership, planning, examination, and promotion. They do not manage financial and grain affairs. If supply and marketing cooperatives are established in the future they will not handle commercial affairs either. Today, there are several hundred people in communes living on public grain. This is a big problem. A commune is actually a large township. The numbers of administrative personnel, the work range, nature, and tasks can all be restored to previous levels for a large township. The commune committee is the same as the township people's committee.

According to our tentative idea there will only be one cadre at the brigade level. He can take part in production, getting nothing from the peasants, and can be subsidized by the state. This is one method. We may also adopt another old method of setting a limit for the subsidy which will be provided by the village. This may also work. In the future, some brigades can be merged into a village in which there will be a village head, a party branch secretary, and a clerk. The workpoints of the clerk will be subsidized by the state. In this way not only will there be less factors affecting the peasants' grain rations but also the relationship between the party and the masses will be improved. This is the greatest benefit.

In short, it is necessary to solve the problems concerning relations between the city and the countryside from two aspects. One is to reduce the urban population and this is a general policy. The other is to readjust the structures of the commune, production brigade, and the production team which is also a general policy. We must enable the peasants to take a breath. When they have taken a breath they will boost their initiative in production and the revival and development of agriculture will be full of promise.

Another policy for reviving agriculture is that industry must strengthen its support for agriculture. First, industrial production serving the needs of agriculture must not be weakened but improved. It is necessary to solve existing problems. For example, although we have paid attention to developing farm machinery over the past many years the problem of adopting suitable farm machinery in light of the different situations in various localities has remained unresolved for a long time. For another example, the state has spent quite large sums of money on the construction of water conservancy projects during these years but no satisfactory results have yet been achieved in farmland irrigation. At present it is necessary to improve the original water conservancy projects. Some areas may even need to dig more wells. For a third example, in fertilizer production it is necessary to clarify what kind of fertilizer is suitable for the user areas. In short, agricultural assistance industries

should not be reduced but promoted. Second, in industrial production it is necessary to lay the stress on solving the people's problems of food, clothing, and other daily necessities and reducing the burden on agriculture. For example, the problem of clothing can gradually be solved by developing industry. In 1957 we decided to purchase materials and equipment from abroad for producing vinylon but the matter was later held up. If the vinylon factory had been built the pressure on cotton supply would have been reduced and we could also have made some exchanges with the peasants. With such exchanges, agricultural production would have been stimulated. The problems of food and other daily necessities are similar to the problem of clothing.

In order to revive agriculture it is also necessary to solve the problems of market and commodity prices. The market must be run well. The central authorities have decided to establish supply and marketing cooperatives throughout the country. This is not only conducive to trading but also to organizing and promoting production and increasing market supply and the peasants' income.

In short, it is necessary to mobilize the initiative of the masses but firstly it is necessary to mobilize the initiative of the peasants and, at the same time that of urban residents. Provided we do it conscientiously we will be full of promise. Judging from the current situation we can find a path to rehabilitate the national economy in a shorter period. We must strive for a fundamental improvement of our financial and economic situation within the next 5 years during the Third 5-Year Plan, or in an even shorter period.

Article Criticizes Exploitation of Hu's Death

OW0609071489 Beijing XINHUA in English
0630 GMT 6 Sep 89

[“Antigovernment Plot Used Mourning Ploy”—XINHUA headline]

[Text] Beijing, September 6 (XINHUA)—A signed article carried by major Beijing-based newspapers today revealed how a handful of people created turmoil by taking advantage of the death of the late Chinese Communist Party leader Hu Yaobang April 15.

The article said that as early as April 16 Gao Yu, editor of an economic journal controlled by Zhao Ziyang's secretary, Bao Tong, met Wang Dan, a student of Beijing University and [as received] later became a ringleader of an illegal student organization, and schemed to create trouble on Changan Avenue and mobilize college students to march on Tiananmen Square April 22, the date of Hu's funeral.

On April 18, Li Shuxian, who is now in hiding in the U.S. Embassy here together with her husband Fang Lizhi, directed Wang Dan to “instigate disorder during the funeral service by taking advantage of the people's common desire to attend the service.”

As a result, the article said, a series of incidents took place, including the delivery of a petition to the Standing Committee of the National People's Congress April 18 and the April 20 assault on the Xinhua Gate of Zhongnanhai, seat of the Communist Party Central Committee and the State Council.

During this period, the article said, some 1,000 posters appeared on the campuses of colleges and universities here, demanding “the resignation of Premier Li Peng” and “the protection of Zhao Ziyang, the living reformist”.

Meanwhile, the article said, some members of the “intellectual elite” called for “rehabilitation of the late Hu Yaobang and negation of the struggle against bourgeois liberalization” at a seminar sponsored by the Shanghai-based newspaper, “WORLD ECONOMIC HERALD”, April 19.

Wuer Kaixi, a student ringleader who fled abroad after the early June riots, fabricated the rumor of the “April 20 bloodshed” at Beijing Normal University where he studied on April 21, while rumors originating at Qinghua and Beijing Universities said that Hu had been “killed by a guard of the supreme commander”. [sentence as received]

In the small hours of April 22, several hours before the start of the funeral service in the Great Hall of the People, the article said, tens of thousands of college students moved into Tiananmen Square.

The article quoted Wuer Kaixi as telling reporters there that “we have come to struggle in different ways, including shouting slogans during the funeral service. And perhaps we are going to embarrass government officials.”

At 3:30 a.m. that day, the article said, some people menaced and abused guards on the eastern side of the Great Hall of the People and kicked a traffic police officer there.

At 8:00 a.m., the article said, students assaulted guards who were trying to cordon off a parking plot for the funeral attendants. The guard withdrew to the plaza east of the Great Hall to avoid a possible violent incident, the article said.

At 10:50 a.m., after the funeral service finished, the article said, crowds headed by Wuer Kaixi and other ringleaders on the square shouted towards the Great Hall “Li Peng, come out” and “dialogue”. Wuer Kaixi even gave the deadline of 12:45 for Li Peng to come out, the article said.

At that time, Zhao Ziyang went atop the Great Hall to view the scene with binoculars, but he said nothing and drove away to go golfing, the article said.

Wuer Kaixi then announced over a megaphone: “Be patient, please. Some people from inside the Great Hall said Li Peng is to come out and meet us at 12:00.”

At 12:45, Wuer Kaixi rushed to the steps of the Great Hall and shouted "Li Peng has cheated us" while Guo Haifeng, another ringleader, knelt on the steps and cried out "Li Peng, why don't you come out?" Thus, the article said, they pushed the indignation of the crowd to a climax.

At almost 2:00 p.m., the article said, the students demonstrated, with the slogan: "Boycott classes nationwide as government didn't respond to our peaceful petition."

Thereupon, the article said, 60,000 college students started a class boycott and some students left Beijing to establish contacts with other students in other parts of the country.

RENMIN RIBAO Cited on Students' Conduct

OW0609074589 Beijing XINHUA in English
0723 GMT 6 Sep 89

["'PEOPLE'S DAILY' Article Reflects on Conduct of Chinese College Students"—XINHUA headline]

[Text] Beijing, September 6 (XINHUA)—The "PEOPLE'S DAILY," organ of the Chinese Communist Party Central Committee, stated today that Chinese college students, calming down after summarizing both positive and negative experiences, "will mature and grow to shoulder the historic mission of construction in the 21st century."

In an article titled "Mistakes of College Students and Social Misguidance", the newspaper reflected on the conduct of Chinese college students and stressed the conclusions that should be drawn from their mistakes.

It noted that during the April-June social unrest, students from 600 universities and colleges nationwide put in 2.8 million student-days of demonstrations in over 80 cities. Almost all major institutions of higher learning boycotted classes.

After the unrest, people reflected on their conduct and asked: "Why did so many college students get involved in the unrest?" And college students asked themselves: "We are patriotic and wished to promote the democratic process in China. We also wished to wipe out official profiteering and corruption. Our motive was good. But why did it lead to bad consequences?"

To answer these questions, the article reviewed the ideological changes among college students from 1978 up to the April-June unrest this year.

In 1978, China started a debate on how to judge truth accompanied by ideological emancipation, and the Communist Party decided to implement reform and the open policy. This got strong support from college students. But at the same time, some students brooded over the wounds inflicted during the "Cultural Revolution" (1966-76) and developed misgivings about the four cardinal principles—adherence to the socialist road, the

leading role of the Communist Party, the people's democratic dictatorship, and Marxism-Leninism and Mao Zedong Thought.

Meanwhile, bourgeois liberalization, a trend against socialism and Communist Party leadership, seeped into the campuses and some students were obsessed with a passion to "gear all efforts toward making money."

Then, reforms got under way, including the economic reform, educational restructuring and reform of the scientific administration. This fired the enthusiasm of the students, who styled themselves "natural reform advocates."

In 1984, Beijing University students advanced the slogan: "Unite To Revitalize the Chinese Nation" and during National Day celebrations that year, they produced a streamer when marching in front of Tiananmen, reading "How Are You, (Deng) Xiaoping?"

In 1985, the idea for political restructuring was advanced. And college students got more self-conscious and were very eager to be involved in the reform. They were unhappy about mistakes committed in the course of the reforms and placed hasty expectations on the reform programs.

In 1986, discussions in society about the political reform excited the students. They developed a great interest in political democracy and freedom of the press. In that year, student unrest spread to some major universities and colleges.

Bourgeois liberalization again emerged as a trend and it got the thinking of college students in great disorder. After 1987, their enthusiasm died away and they felt they were not understood in their patriotism.

Surveys of college students conducted in 1986 and 1988 showed that those for a multiparty system grew from 20.5 percent to 21.1 percent and that those for capitalism grew from 16.8 percent to 34.5 percent.

Dissatisfaction developed among college students. In 1988, some prominent figures went to campuses to advocate bourgeois liberalization. They spread such ideas as "multichannel politics" and "economic privatization." This led the enthusiasm of college students onto the wrong path.

All these things led to the unrest and anti-government rioting this year, which, the article said, was an inevitable development.

Analysing the thinking of the college students, the article pinpointed some ideological weaknesses among them.

First, they were too self-conscious, styling themselves the elite of society. They placed themselves above society and this led to their isolation from the masses of the people and their wishes ran counter to those of the people.

Secondly, they developed ideas outside reality, being dissatisfied with China's traditions. They did not understand the actual conditions of the country and dreamed of working out reform programs simply out of their own heads.

Thirdly, they were too eager to show off, thinking that only with their involvement could the nation be revitalized, the reform brought to success and all vices eliminated.

With these weaknesses, the students liked to criticise others but failed to see their own faults. They did not understand that it was difficult to push the reforms any faster and they lacked the ability to withstand the difficulties of the reforms. They wanted "democracy" but did not have a correct understanding of democracy.

These weaknesses later grew into anarchy. During the unrest, college students followed rumors and the "Voice of America", and got deeper and deeper into the unrest.

"It was not by chance that so many college students got involved in the unrest. The basic reason was that for a long time political and ideological work had been in tatters. Education in Marxism had been neglected and political requirements for college students had been lowered," the article said.

In political guidance, it said, the four cardinal principles were not stressed in forceful terms. In ideological and cultural guidance, Marxism and Mao Zedong Thought were not explained properly and when Western bourgeois ideas infiltrated society, efforts were not made to analyse them.

Guidance on judging social values failed to stress the importance of linking one's own ideals and destiny with that of the state and nation.

In public opinion guidance, the press advocated wrong tendencies and created many "hot topics" among college students. In the course of the unrest, the press fanned the flames, the article stressed.

The basic way out, the article said, is education of people in line with the four cardinal principles. "For the sake of the state and nation, schools and families, people in the ideological work field, in education, journalism and publishing should all stress education in the four cardinal principles. Education in Marxism, patriotism, self-reliance, hard work, socialist democracy, the legal system, the true conditions of the country and social practice should receive a boost," it said.

"Under the leadership of the Communist Party and the guidance of Marxism-Leninism and Mao Zedong Thought, the younger generation in China is full of hope," it states.

RENMIN RIBAO on 'Strict' Tax Collection

OW0209214889 Beijing XINHUA Domestic Service
in Chinese 1200 GMT 2 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 2 Sep (XINHUA)—Today's RENMIN RIBAO carries an editor's note, entitled: "Strict System, Strict Administration and Strict Taxation." The note reads in full as follows:

Since the implementation of the reform and open policy, self-employed industrial and commercial units and private enterprises have flourished in all parts of the motherland. With the support of the local governments and their financial, commercial, light industrial, supply and industrial and commercial administrative departments, they have demonstrated great vitality and played an important role in developing production, invigorating the market, making things convenient for the people in their livelihood, and expanding employment. However, many of the self-employed industrial and commercial units and private enterprises have made a fortune by evading a large amount of tax. This has caused serious injustice in effecting social income distribution at present. The situation cannot but evoke complaints from the masses and concerns in the society.

Taxation is a means adopted by the state according to its power and laws to take part in income distribution and redistribution in the national economy in a compulsory and gratuitous manner. Whether the units or individuals that are directly held responsible for paying tax according to law and regulations pay their taxes accordingly directly affects the revenues of the state. The characteristics of the taxes are, first, their compulsory nature. The state is empowered to compel the taxpayers to pay their taxes. Their second characteristic is their gratuitous nature. The state receives no compensation after it collects taxes. Their third characteristic is their fixed nature. The state determines beforehand those who should pay tax and the tax rates, while the taxpayers pay the fixed amount of tax according to the regulations. It is precisely because of these characteristics that those self-employed industrial and commercial units and owners of private enterprises use methods of cheating, hiding, resisting, or colluding with corrupt tax-collecting cadres to carry out illegal activities of tax evasion and refuse to pay tax. They have put the tax payments that originally come from the people and should be used for the people into their own pockets. Therefore, there is less revenue in

Judging from the situation reported by various localities, in order to overcome such an anomaly, it is necessary to, first of all, strictly reinforce the system and, based on the constantly changing situation, work out countermeasures in good time so as to ensure that there is no loophole to exploit as far as taxable items, taxpayers, tax rates, tax reduction and exemption, and violation of rules and regulations are concerned. Second, it is necessary to exercise strict supervision over tax registration,

tax appraisal, tax returns, tax inspection, and punishment for violation of rules and regulations. Third, taxation, commerce, industry and commerce administrative, and judicial departments should take concerted action in collecting taxes strictly according to the law. Tax offices and functionaries, in particular, must strictly and impartially enforce the law. They must not use their official position as a tool to seek selfish interests and extort money.

Does our scrutiny of the question of tax evasion by self-employed industrial and commercial units and private enterprises mean that there will be a change in the relevant policies and laws of the party and the government to develop the individual sector of the economy? No. We will continue to assist, develop, and protect the legitimate interests of laborers of the individual economy as a supplement to the socialist economy of public ownership. However, in conducting businesses, self-employed individuals must abide by the law and pay tax according to the regulations, so as to live up to the expectations of the state and the people and so as to perform more constructive services to society and its people.

Science & Technology

Advanced Systems Aid Satellite Ground Control

OW0209054389 Beijing XINHUA in English
1342 GMT 1 Sep 89

[Text] Beijing, September 1 (XINHUA)—China has developed advanced computer systems for ground measurement and control for satellite and missile launching.

According to Professor Hu Jiawei, general manager of the computer and control corporation of the Ministry of the Aerospace Industry, China has developed 32 computer measurement and control systems which have been used in more than 20 types of satellites, carrier rockets, and strategic and tactical weapons.

The computer system has cut down research expenses and time, according to Professor Hu.

For example, after adopting the computer automation system, the research time of one set of ground measurement facilities of the Long March II carrier rocket was reduced by one-third, and the expense cut by 400,000 yuan.

In addition, scientists believe that the application of computer-automated measurement and control in satellites and missiles has greatly improved weapon capability.

Experts Urge Rural Anti-Earthquake Efforts

OW0209134289 Beijing XINHUA in English
1205 GMT 2 Sep 89

[Text] Kunming, September 2 (XINHUA)—Chinese seismologists are calling for greater anti-earthquake efforts in the rural areas as they believe seismic activities are increasing in China.

Head of the National Anti-Earthquake Headquarters Chen Shouliang said here that since the 1976 Tangshan earthquake, the country had stressed anti-quake work in cities, important industrial enterprises and mines, and neglected the rural areas.

On November 6, 1988 and April 16, 1989, big earthquakes hit Lancang and Gengma in Yunnan Province and Batang in Sichuan Province, causing great damages only after that of the Tangshan earthquake.

Chen said, "These facts have prompted us to pay due attention to the anti-quake work in rural areas."

He and other experts suggested that a national anti-quake network be set up to protect facilities of transport, telecommunications, water and power supply and buildings in the rural areas.

They also suggested to form and improve quake monitoring institutions at all levels, and work out measures to deal with quakes according to local conditions.

Benzene Anhydride System Receives Test

OW0209134589 Beijing XINHUA in English
1159 GMT 2 Sep 89

[Text] Nanjing, September 2 (XINHUA)—A large production system designed to turn out 40,000 tons of benzene anhydride and 2,000 tons of maleic anhydride a year, the largest of its kind in China, has been put into trial operation here.

Local officials say construction of this chemical project will promote the chemical industry in the Nanjing area.

Built with equipment imported from the Federal Republic of Germany, the project required total investment of 160 million yuan.

Medical Encyclopedia Set for Autumn Publication

OW0209020389 Beijing XINHUA in English
1453 GMT 1 Sep 89

[Text] Shanghai, September 1 (XINHUA)—An encyclopedia of traditional Chinese medical prescriptions collected and edited by 100 Shanghai medical experts, professors and doctors will be published this autumn.

The encyclopedia will contain more than 5,000 prescriptions, many of which have been kept secret throughout the ages. It has been compiled in three volumes—

covering internal medicine; surgery, wounds and orthopedics; and gynecology and obstetrics, pediatrics and tumors.

Nearly 500 diseases and their treatments are listed.

The encyclopedia will be published by the Shanghai Wenhui Publishing House. Its chief editor is Hu Ximing, vice-minister of public health and director of the Chinese State Administration of Traditional Chinese Medicine.

Writer Xu Chi Uses Microcomputer

OW0309052789 Beijing XINHUA in English
1203 GMT 2 Sep 89

[Text] Wuhan, September 2 (XINHUA)—Although his foreign counterparts long ago gave up slaving away over paper, Xu Chi, 75, is one of the few Chinese writers who work without pen and ink.

Xu Chi, a famous writer and poet, plans to write reminiscences of about 800,000 words. "I have finished 200,000 words on the computer," the old man said with a smile one day in his home in this capital city of central China's Hubei Province.

He has also used his computer to collate 300,000 words of his previous works. "It saves me a lot of trouble in copying the revised works," Xu said, adding that he could produce a final draft in only one go on the computer instead of the several revisions needed by hand.

The writer said that he taught himself to operate his 20,000 yuan, Super XT micro-computer after one and a half months of study. Now he is able to type 5,000 words a day.

He prefers the "five stroke" Chinese character input method developed in 1986.

He plans to input and collate his other previous works, which include poems, novels, prose and translations, and then present them to the National Library.

Xu said most Chinese writers can not afford the high cost of computers on their meager incomes. "It will be a long time before all Chinese writers work on micro-computers, but it is an inexorable trend."

Economic & Agricultural

New Campaign To Close Tax Loopholes

OW0309071989 Beijing XINHUA in English
0616 GMT 3 Sep 89

[Text] Beijing, September 3 (XINHUA)—China will launch a nationwide campaign from this month to prevent financial loopholes by examining taxation, accounting and price setting, a high-ranking government official announced here today.

It will cover state-owned enterprises, collective factories and administrative organizations. State Councillor and Finance Minister Wang Bingqian said.

He told a meeting that the 4-month long examination will focus on tax evasion and deduction, various funds out of the budget, consumption funds, price hikes and practices to retain profits that should be turned over to the state.

Wang urged inspection officials from various departments to make big efforts to combat corruption, increase income, reduce expenditure and relieve the strained financial situation.

China launched four such examinations between 1985 and 1988, involving 44 billion yuan.

The figure indicates that illegal activities in economic fields are rather serious, Wang said. "They will get worse if we do not launch the campaign to prevent loopholes," he added.

Official Describes Plan To Aid State Enterprises

OW0309030589 Beijing XINHUA in English
0203 GMT 3 Sep 89

[Text] Beijing, September 3 (XINHUA)—A massive plan for structural adjustment of state-owned large and medium-sized enterprises in 1989 and 1992 is being drafted at the instruction of the State Council, today's "CHINA DAILY" reported.

The report noted that the plan is aimed at injecting fresh vitality into these enterprises to reinforce their role as the driving force of the nation's economy.

"The revitalization of large and medium enterprises is a top priority in the plan in response to urgent calls from the country's top leaders," Li Jiange, deputy director of the Department of Economic Restructuring under the State Planning Commission, was quoted as saying.

He stressed that the major theme of the plan will be to revitalize the country's large and medium enterprises "by every means."

According to the State Statistical Bureau, state-owned enterprises accumulated losses of 6.87 billion yuan (1.86 billion U.S. dollars) from January through June this year. This equals the total losses suffered by state-owned enterprises during all of last year.

By the end of 1987, there were 9,865 large and medium state-owned industrial enterprises, which was but two percent of the 493,573 enterprises in the country. However, their industrial output value and original fixed assets made up 50 percent and 56 percent respectively of the nation's total.

Li said that China's economic reforms started in the countryside. The great success of rural reform gave impetus to urban reform, but owing to mistakes of one kind or another, industries which benefited from the

reform did not achieve commensurate efficiency and failed to support the development of agriculture which remains essential to a nation's industrialization.

For the current problems of large and medium enterprises, the report quoted two reasons from Li Jiange: One is that these enterprises lack management autonomy and responsibility; while the other is that conditions have not favored their management and production.

To give large and medium enterprises new strength, Li stressed that it is necessary to carry out comprehensive reforms of the economic system over the next few years—in taxation, banking and prices; and management should be further separated from the form of ownership.

Economic Cooperation Seminar Scheduled

OW0209125689 Beijing XINHUA in English
1214 GMT 2 Sep 89

[Text] Beijing, September 2 (XINHUA)—Preparations for a seminar on Sino-foreign economic co-operation to be sponsored by the China International Trust and Investment Corporation (CITIC) are under way, XINHUA learned here today.

The seminar will be held in Beijing October 4 to mark the 10th anniversary of the founding of CITIC. The corporation organized a similar seminar on the occasion of its fifth anniversary in 1984, which turned out to be a success.

About 120 senior entrepreneurs, and public figures and their assistants from 12 countries and regions have so far accepted invitations from CITIC Chairman Rong Yiren.

More than 30 high-ranking officials from Chinese ministries, provinces and municipalities will also attend the seminar. State leaders will address the seminar, and ten Chinese and foreign representatives will make speeches on special subjects.

The participants will make an intensive exchange of views on such questions as the current international economic situation and China's continued efforts to open wider to the outside world, so as to promote China's economic and technological exchanges and co-operation with other countries, and increase CITIC's contacts with the outside world by importing more foreign investment and expanding business.

Government Introduces Export Credit Insurance

OW0309072389 Beijing XINHUA in English
0627 GMT 3 Sep 89

[Text] Beijing, September 3 (XINHUA)—The Chinese Government is gradually introducing a new policy of providing export credit insurance in a bid to encourage exports, "CHINA DAILY" reports today.

Enterprises that buy insurance for export credits will have their losses covered if foreign importers are unable to pay for the imported commodities because of business

failures or political turmoil in their countries, said Xu Zhenbin, general manager of the Export Credit Insurance Department under the People's Insurance Company of China.

He said the policy applies to bilateral trade between China and foreign countries in forms other than letters of credit.

"This is an important measure undertaken by the government to assist export-oriented enterprises, expand international markets for our exports and increase the proportion of exports made up of machinery and electronic equipment," Xu said.

He said the move will especially benefit trade with the Latin American and other developing countries which are suffering severe shortages of hard currency.

He said his department has adopted standard international practices.

But due to a lack of experience, he said, the company will not immediately implement the program throughout the country, but will first select several cities for trial operations. At present the company's branches in the cities of Beijing, Tianjin, Ningbo, Shanghai and Guangzhou have been allowed to provide the insurance.

While in the past, except for barter trade with the Soviet Union and other Eastern European countries, China usually collected payment in the form of letters of credit and exercised tight controls over any other forms of payment.

Government To Issue Bonds Worth 42 Billion Yuan

OW0309123189 Beijing Television Service
in Mandarin 1300 GMT 29 Aug 89

[Announcer-read report from "Night News" program]

[Text] According to reports of the JINGRONG SHICHANG [FINANCE MARKET] magazine, China plans to issue various bonds valued at total 42 billion yuan this year, 55.8 percent of which will be state bonds. This year's issuance volume of state bonds is 17.8 percent greater than last year's.

By the end of 1988, China had issued an accumulated total of 102.3 billion yuan of all sorts of renminbi bonds throughout the country. Of it, 60.9 billion yuan or 60 percent were state bonds. Jin Jiandong, director of the monetary administration department of the People's Bank of China, said that interest rates for renminbi bonds issued this year, value-guaranteed bonds or not, are generally higher than ever. He also noted an increase in the proportion of bonds designated to be sold to individuals. The funds from the sale of bonds has been spent mostly on key state projects.

Report Details Energy Production Statistics

HK0609055789 Beijing ZHONGGUO XINWEN SHE
in Chinese 0907 GMT 4 Sep 89

[Report: "China's Energy Increases Fortyfold Over Last 40 Years"—ZHONGGUO XINWEN SHE headline"]

[Text] Beijing, 4 Sep (ZHONGGUO XINWEN SHE)—China's total energy output this year is expected to exceed 950 million tons of standard coal, a fortyfold increase over the 23.71 million tons of standard coal in 1949.

China's coal output has increased from 32.4 million tons to 979 million tons over the past 40 years. To date, China has a total of 600 state-controlled mines and 16 large coal enterprises, each with an annual production capacity of over 10 million tons, distributed in Shanxi, Henan, Liaoning, Anhui, and Shandong. The output of these mines accounts for around one-fourth of the country's total. Local mines have developed rapidly since 1980. There are now 2,300 locally owned state mines and 79,000 mines owned by townships and individuals. Their output totaled 526 million tons in 1988, accounting for 53 percent of the country's total coal output. Moreover, the Antaibao opencut coal mine, jointly built by China and the United States and the largest and most modern in China, can turn out 15.3 million tons of coal annually.

China's crude oil output was only 120,000 tons in 1949. Last year the figure topped 137 million tons, ranking fifth in the world. From the Yumen oilfield to the Daqing oilfield, which has produced an annual stable output of over 50 million tons for more than 10 successive years, the country has built 18 onshore oil and gas production bases so far.

China has become an oil-exporting country from being an oil-poor country. Over the past 20 years or so, China has exported a total of 320 million tons of crude oil and oil products. Meanwhile, successes have been achieved in prospecting and exploiting offshore oil in cooperation with other countries. China has signed cooperation contracts and agreements with 45 companies of 12 countries, the area of the contracts involving 150,000 square km, and has discovered 51 gas fields.

Over the past 40 years, China's installed power capacity has increased from 1.85 million kilowatts to 110 million kilowatts. China has now become one of the five countries in the world with installed power capacities exceeding 100 million kilowatts. The annual volume of generated power increased from 4.3 billion kilowatt-hours to 543 billion kilowatt-hours. China now has around 100 large hydropower and thermal power stations each with a capacity of over 250,000 kilowatts and 13 power stations each with a capacity of over 1 million kilowatts. Most of these power stations were built in the 1980's. The Jianbi thermal power station in Jiangsu has an installed capacity of 1.62 million kilowatts; the Yaomeng thermal power station in Henan, 1.2 million kilowatts; the Tangshan Linghe thermal power station in

Hebei, 1.55 million kilowatts; the Datong Shentou thermal power station in Shanxi, 1.2 million kilowatts; the Gezhu Dam hydropower station in Hubei, 2.71 million kilowatts; the Liujiaxia hydropower station in Gansu, 1.16 million kilowatts; and the Longyangxia hydropower station in Qinghai, 1.28 million kilowatts. In addition, China's first group of nuclear power stations, the Qinshan nuclear power station in Zhejiang and the Daya Bay nuclear power station in Guangdong, with installed capacities of 300,000 kilowatts and 1.8 million kilowatts, will be completed and put into operation next year and in 1992 respectively.

The Lubuge hydropower station in Yunnan is China's first power project to make use of foreign capital. Since the international public bidding for the Lubuge hydropower project in 1982, China has made use of around \$4 billion of foreign loans and signed some 20 hydropower and thermal power projects. The capacity of the projects completed and under construction totals over 17 million kilowatts.

Despite the notable successes achieved in China's energy industrial development, the recent situation of energy supply and demand has become increasingly serious because of the imbalance of energy and economic construction and the fact that energy growth is lagging far behind economic growth. During the Sixth 5-Year Plan, gross industrial and agricultural output value increased by 64 percent in 5 years, while primary energy rose by only 34 percent and generated power went up by 37 percent. During the first 2 years of the Seventh 5-Year Plan, gross industrial and agricultural output value increased at an average of 14 percent a year, while primary energy rose only 3 percent and generated power went up 10 percent. Because of the serious imbalance in the proportion of generated power to power consumption, it has been difficult to make the most of one-third of the country's production capacity.

To ease the strain on energy, the government has regarded the energy industry as one of the strategic focuses of national economic development, increased investment, and implemented an "inclined policy." The planned targets for energy production by the year 2000 are: The total output of primary energy should reach 1.4 billion tons of standard coal. Of this, coal output should amount to 1.4 billion tons; crude oil, 200 million tons; gas, 30 billion cubic meters; hydropower, 240 billion kilowatt-hours; and nuclear power, 30 billion kilowatt-hours. The total volume of generated power should reach 1,200 billion kilowatt-hours, an increase of 100 percent over the current figure.

Motor Vehicle Production Increases

OW0309060789 Beijing XINHUA in English
1557 GMT 2 Sep 89

[Text] Beijing, September 2 (XINHUA)—China has produced five million motor vehicles of various kinds in the last 40 years, according to the State Statistics Bureau.

Now, 80 percent of the motor vehicles running in the country were made in China.

In the period of the Seventh Five-Year Plan (1986-1990), China has completed its production adjustment for the automotive industry, costing 10 billion yuan or the total funds invested by China in the industry from 1953 to 1985. This helped increase motor vehicle production by 25 percent, said acting president of the China National Automotive Industry Federation Cai Shiqing.

The First and Second Automotive Works, China's main automotive producers, now have a total production capacity of 300,000 medium-sized trucks, almost the total output of the whole country. Small trucks and buses now make up 60 percent of the annual production output of China's automotive industry; it used to be only 14 percent ten years ago.

In the past ten years, China's motor industry has imported advanced manufacturing and testing technologies and equipment from Japan, the United States, Italy, Federal Germany, France and Austria. This has helped it narrow the technology gap, which used to be one of over 30 years, between China and the world automotive industry. China-made motor vehicles have also entered the international market.

China's First and Second Automotive Works, and the Shanghai, Tianjin, Beijing and Guangzhou Car Factories are planning to raise their production output to a total of 600,000 top-class and mini-cars and buses annually by the end of the century. Among joint-venture cars now being turned out are the Audi of Changchun, Santana of Shanghai and Peugeot of Guangzhou.

Steel Production To Reach 60 Million Tons

OW3108084489 Beijing XINHUA in English
0657 GMT 31 Aug 89

[Text] Beijing, August 31 (XINHUA)—China produced 59.43 million tons of steel in 1988 and this year the industry will see an output of 60 million tons.

In 1949, China turned out only 158,000 tons of steel, ranking 26th in the world. After an average annual growth rate of 11 percent over the past 40 years, China now ranks fourth in the world in steel production.

There are 14 large steel plants and over 1,000 medium and small-sized steel plants scattered across the country. The largest, the Anshan Steel and Iron Corporation located in northeast China's Liaoning Province, has an annual production capacity of eight million tons of steel, seven million tons of iron and six million tons of rolled steel.

The newest steel complex is the Baoshan Steel and Iron corporation in Shanghai. The first phase of construction was completed in 1986 and the second phase of construction will be finished within three years. After that, it will be able to turn out 6.71 million tons of steel and 6.5 million tons of iron each year.

Circular Curbs Refrigerator, Woolen Blanket Prices

OW0209194289 Beijing XINHUA in English
1435 GMT 2 Sep 89

[Text] Beijing, September 2 (XINHUA)—The Chinese State Administration of Commodity Prices recently issued a circular, informing various localities to lower the prices of some types of refrigerators and woolen blankets to appropriate levels, XINHUA learned today.

According to the circular, refrigerator prices will be lowered by around 15 percent. However, it will be up to the local authorities to decide if they shall further cut the prices of those that have been lowered already this year. The price of 2.8 kg jacquard woolen blankets will be cut 10 percent from the original price of above 240 yuan. It is up to the local authorities to decide the price cuts for woolen blankets of other specifications, the circular said.

The circular also orders the lowering of prices for 13 kinds of name-brand liquors, whose prices have already been reduced since March this year.

As for electrical fans and other seasonal commodities, the circular said, floating prices can be practised in different seasons.

Government Earmarks More Funds for Agriculture

OW0309080889 Beijing XINHUA in English
0649 GMT 3 Sep 89

[Text] Beijing, September 3 (XINHUA)—The government has earmarked 17.4 billion yuan this year to support agriculture, with special emphasis on expanding grain, cotton and edible oil production, "CHINA DAILY" reports today.

This figure, which is 1.56 billion yuan or 9.6 percent more than last year, will be used in two ways: to support agricultural production cooperatives and to develop irrigation and weather forecasting, according to Finance Ministry officials.

The increased funding accompanied by a marginal rise in savings accounts in branches of the Agricultural Bank, would help relieve the current shortage of money for investment in agricultural infrastructure and production of major crops.

The increased funds for the development of grain, cotton and oil will go mostly to improve physical conditions for agricultural production, such as irrigation, and to disseminate better crop varieties and new agricultural techniques.

By the end of July, funds spent on agricultural development has reached 8.8 billion yuan, 19.8 percent more than the figure for the same period last year.

However, the paper says, there remain many problems in the management of funds for agricultural development.

Recently released figures from the Ministry of Finance show that, from 1986 through 1988, the ministry earmarked one billion yuan a year for development of grain production, but actual spending in these three years totalled only 2.45 billion yuan. The difference was misappropriated by local agricultural departments for construction of buildings unrelated to agriculture.

The ministry called for stricter monitoring of funds for agricultural development.

Agriculture Ministry Plans for 1990 Harvest

*OW0309032689 Beijing XINHUA in English
0057 GMT 3 Sep 89*

[Text] Lanzhou, September 3 (XINHUA)—The Chinese Ministry of Agriculture recently convened a meeting to draw up plans for a bumper harvest next summer.

This summer's harvest was 2.55 million tons over last year's level.

The key to the further increase of summer crops lies in boosting the yield in per unit area, participants at the meeting said. Over the past 11 years the summer crop yield has been between 124 kg and 203 kg per mu (one

mu is one fifteenth of a ha). Moreover, around 13 million ha of land in 16 provinces and autonomous regions produced less than the national average, they said. Different yields are also observed in regions with similar conditions.

To tap the potential it is necessary to accelerate the incorporation of research results into production and at the same time plough more material investment into farming.

The meeting put forth a series of measures to guarantee next summer's harvest. These measures include expanding the planting areas and the use of quality strains, using chemical and organic fertilizers scientifically so as to improve efficiency, and timely sowing.

Summarizing the meeting, Minister of Agriculture He Kang stressed that the northern areas of the country should share a larger part of the burden, adding that the usual summer crop areas and production in north China, plus Jiangsu and Anhui Provinces, account for some 60 percent of the country's total. He estimated that 2.5 million to three million extra tons of crops will be reaped should the per unit area yield in the north reach that of the average in other parts of China.

East Region

Jiangsu's Han Peixin Speaks on Clean Government

OW0309195389 Nanjing Jiangsu Provincial Service
in Mandarin 0915 GMT 19 Aug 89

[Text] From 17 through 19 August, the Jiangsu Provincial CPC Committee held a provincial work conference in Nanjing on dealing with corruption and building a clean government. The meeting heard reports from localities on implementing the seven important decisions of the CPC Central Committee on dealing with corruption and on implementing the eight opinions of the provincial CPC committee. The meeting also studied and planned work for the future.

(Cao Keming), secretary of the Discipline Inspection Commission of the provincial CPC Committee, pointed out at the meeting: A system for clean government was promoted last year on an experimental basis in some counties and districts, and in some grass roots units in our province; the system is now being tried in leading organs above the county level. At present, the building of clean government, with its major contents of publicizing the handling of public affairs, making known the results of handling, and accepting the supervision from the people, is now gradually being promoted at provincial-level organs and in cities and counties. The efforts to enhance intraparty organization and disciplinary supervision, and the efforts to bring into play the supervisory role of discipline inspection commissions and of people's letters and visits, also achieved marked results.

Han Peixin, secretary of the provincial CPC Committee, and (Zhao Changjun), deputy secretary of the provincial CPC Committee, attended and spoke at the meeting. Comrade Han Peixin said: Leaders at all levels should give priority to the work of resolutely dealing with corruption and enhancing the building of a clean government. We should, by implementing the guideline of the 4th Plenary Session of the 13th CPC Central Committee, supporting the new leading group of the CPC Central Committee headed by Comrade Jiang Zemin, and maintaining the same line as the CPC Central Committee, recognize the importance and urgency of the need to deal with corruption and to enhance the building of a clean government. He said: We should earnestly implement the policy and strive to produce results in a short time. We should resolutely eliminate obstacles. Whoever is involved should be dealt with in accordance with the principle that everyone is equal before the law. Those who should be punished should be punished; those who should be expelled from the party should be expelled; those who violated the discipline and broke the law must be punished according to the law.

Comrade (Zhao Changjun) made arrangements for our province in dealing with corruption and enhancing the building of a clean government in the future. He said: To safeguard the interests of the party and the people, we should immediately organize for action. We should seize and make use of the advantageous opportunity presented

to us after the stopping of the turmoil and quelling of the rebellion. We should start to work on the issues which concern the masses the most and which the masses discussed the most. To prove the determination and action of our party, we should concentrate our efforts in doing a good job in investigating and handling major and important cases. Finally, we should rebuild our party spirit and win back the confidence of the people.

Jiangxi Expels Seven Leading Cadres From Party

OW0309194189 Nanchang JIANGXI RIBAO in Chinese
9 Aug 89 p 1

[By reporter Xi Lin 6007 3876]

[Excerpts] Seven leading cadres were expelled from the party for abusing power and seriously violating the law and party discipline. At a press briefing on the morning of 8 August, the provincial Discipline Inspection Commission made public the results of investigation of the seven cases and the disciplinary action taken.

This was the first time that the provincial Discipline Inspection Commission made public the results of investigation and disciplinary action taken against party members. It was a concrete step in response to the central call for punishing the corrupt, enforcing strict party discipline, and doing several things of concern to the masses. It was also an attempt to improve openness of discipline inspection work and strengthen mass supervision.

A responsible comrade of the provincial Discipline Inspection Commission briefed the participants on the investigation of violations of inner-party discipline and the disciplinary action taken by discipline inspection offices at various levels in the province during the first half of 1989. As of the end of June, discipline inspection offices in the province had accepted 1,206 cases of violation of inner-party discipline, and investigated and closed 788 cases, showing a case closing rate of 65.3 percent. Embezzlement, bribery, theft, speculation, fraud, and other corrupt activities and violations of financial and economic discipline were among the most conspicuous cases under investigation. Abuse of power for personal gains, dereliction of duty and malfeasance, and corrupt lifestyles also account for a large share of the cases of violation. Among the closed cases, 753 cadres received party disciplinary measures, including two at the prefectural and department level, 12 at the county and bureau level, and 163 at the district and section level. One hundred and eighty four members were expelled from the party and 178 were placed on probation within the party. One hundred and ninety five received criminal punishment or administrative disciplinary measures.

The seven cadres who were expelled from the party were leaders of party and government organs and enterprises who seriously violated party discipline. Their action met with strong reaction from the masses and had very bad effect.

- Zhang Xuanjing, former deputy head of the disciplinary inspection group of the provincial Department of Justice. Zhang received 3,000 yuan in "business expenses" from a construction company in Xinjian County in return for his assistance in obtaining a contract in a capital construction project. [passage omitted]
- Huang Shuosheng, former deputy director of Yichun Prefecture's grain bureau and concurrently manager of Taxia Grain and Edible Oil Company. Huang received 100 Hong Kong dollars and 2,000 yuan from the Daan Township Supply and Marketing Corporation in Guangdong's Lufeng County, which had business ties with his own company. [passage omitted]
- Liu Xianchun, former deputy director of Gannan Tin Refinery. In April 1988, his refinery purchased 51 metric tons of trioxide from Lingnan Industrial Import and Export Company in Guangdong Province. During the trade negotiations, Liu drew 7,000 yuan in cash from the company account by falsely claiming that the supplier demanded "information fees." Liu divided the money with another person, keeping 4,000 yuan for himself. [passage omitted]
- Yang Xiuwu, former deputy director of the Jingguang Glazed Tiles Plant of Jingdezhen City. Between March 1979 and June 1987, while serving as deputy head of the supply section of the Jingdezhen City Electrical Appliance Industrial Company and as director of the company's switch factory, Yang took advantage of his power over the supply of metals and accepted a total of 56,869 yuan in bribes. [passage omitted]
- Wang Wenliang, former member of the party committee and deputy director of Shangrao City's Urban and Rural Construction Bureau. On 31 August 1988, while he was in charge of city administration (concurrently in charge of the city's central market), he used deceptive means and transferred 19,377 yuan into his own bank account. [passage omitted]
- Chen Kangzong, former member of the Standing Committee of the Yifeng County party committee and head of the organization department. In building a house for personal use, Chen resorted to deception and purchased building materials below the market price, robbing the state, the collective, and the masses of more than 6,000 yuan. [passage omitted]
- Xu Shizheng, deputy secretary of the Guangchang County party committee. During his tenure as deputy secretary of the Jinxi and Guangchang County party committees from October 1984 to February 1988, Xu had an affair with a married woman. Even worse, Xu went as far as trying to murder the husband in order to marry the woman. Xu's action seriously contradicted social ethics. His grave mistakes had a very bad effect inside and outside the party. [passage omitted]

Shandong Secretary Jiang Chunyun Hails Socialism

HK0509090689 Beijing RENMIN RIBAO in Chinese
22 Aug 89 p 4

[Article by Jiang Chunyun (1203 2504 0061), secretary of Shandong Provincial CPC Committee: "Socialism Shows Its Splendor in Shandong"]

[Text] The Chinese people, who have won a decisive victory in their recent struggle of quelling the turmoil and suppressing the counterrevolutionary rebellion in Beijing, are now waiting with a feeling of immeasurable joy for the arrival of the 40th anniversary of the founding of the PRC.

Reviewing our struggle over the past few decades, we feel from the bottom of our hearts that the past 40 years is a period in which our entire Chinese people have gained pride and felt elation; China, our motherland, has been turned into a powerful and prosperous country in the world, and our entire Chinese nation has advanced forward. In a nutshell, the past 40 years is a period in which socialism has won one victory after another on this Divine Land. Shandong people, under the CPC leadership, have been able to hold aloft the banner of socialism, have carried out the transformation of our rivers and mountains, and have won great successes in all the fields of our socialist construction.

People will never forget that in the feudal society which lasted for several thousand years in China, and under the occupation and oppression of the various imperialist powers and the decadent rule of the KMT reactionary regime, the Chinese people suffered enormous humiliation, poverty, and catastrophes. Before liberation, Shandong people lived in extreme misery and poverty. However, now after 40 years of transformation and construction, one can see prosperity, efficiency, political stability, and peaceful and secure livelihood everywhere and in both the urban and rural areas of our Shandong Province.

Over the past 40 years, especially since the 3d Plenary Session of the 11th CPC Central Committee, the economic strength of Shandong Province has strengthened greatly. Compared with 1949, the total social output value of our Shandong Province has increased by 41 fold, the national income of our Shandong Province has increased by 23 fold, and the total industrial and agricultural output value of our Shandong Province has increased by 38 fold. Over the past 10 days, Shandong's productive forces have been developing at the highest rate compared with other parts of China. All types of social undertakings of Shandong Province have also been developing by leaps and bounds. And our Shandong people have benefited a lot from these latest changes. Within a short period of 6 years, Shandong Province has basically solved the problem of feeding and clothing its people, a long-standing problem unresolved for many generations in the past. Within a short period of 7 years, Shandong Province has doubled its industrial and agricultural output value. Now the Shandong people

are enthusiastically implementing the policies of reform and opening up to the outside world, and carrying out the building of the four modernizations with a completely new mental attitude. Such long-term, high-speed, and high-efficiency economic and social development is something virtually impossible in the old China and even in the modern advanced capitalist countries.

Over the past 40 years, Shandong's agricultural production output has increased by a large margin with its per unit area grain yield increasing from 53 kilograms in 1949 to over 260 kilograms in 1988, its total grain output increasing from 8.7 million tons in 1949 to 32.25 million tons in 1988, its cotton output increasing from 80,000 tons in 1949 to 1.13 million tons in 1988, its peanut output increasing from 0.54 million tons in 1949 to 1.94 million tons in 1988, and its meat output, aquatic product output, and fruit output increasing by several hundred percent and even several thousand percent respectively. The Shandong peasants are presently advancing toward a prosperous and comfortable life.

In the last 40 years, a relatively comprehensive and increasingly rational industrial structure has gradually taken shape in our Shandong Province. Shandong has also developed its own petroleum industry and built a big oil field whose annual crude oil output has reached 33 million tons. Before liberation, Shandong had virtually no iron and steel industry. Now Shandong's annual iron output has reached 2.48 million tons while its steel output has reached 1.91 million tons. Compared with 1949, Shandong's crude oil output in 1988 increased by 32 fold while Shandong's annual electric energy production output in 1988 increased by 138 fold. Moreover, a large number of big chemical, machinery, electronic, light industrial, and textile industrial projects with advanced technologies have also been built and commissioned in Shandong over the past few years. Township and town industries have also sprung up like mushrooms in our Shandong Province. Now the industrial output value of township and town industries of Shandong Province accounts for one third of the total industrial output value of the province, and it is 61 times more than the total industrial output value of Shandong Province in 1949. A comprehensive communications network linking land, sea, and air has also been built in our Shandong Province. Highways linking urban and rural areas have been built in all parts of our Shandong Province. Now Shandong's passenger transportation volume has increased by 30 fold while its cargo transportation volume has increased by 71 fold compared with 1949.

The past 40 years has also witnessed a sustained increase in Shandong's foreign trade. Now Shandong Province has established economic and trade relations with more than 150 countries and regions in the world. Thanks to the implementation of the policies of reform and opening up to the outside world, the total export volume of our Shandong Province has increased by 84 fold compared with that in the first few years after the founding of the PRC. Over the past few years, the overall

external economic and trade relations of our Shandong Province and the external technological cooperations and exchanges conducted by our Shandong Province have at once maintained a very good momentum and demonstrated very bright prospects.

The past 40 years has also seen a vigorous development of Shandong's scientific, technological, cultural, educational, public health, and athletic undertakings. In the first few years after liberation, there were only a small number of scientific and technological personnel working in some scientific research institutions of our Shandong Province. Now, there is a relatively comprehensive scientific and technological research structure. In the last 10 years, Shandong has made more than 10,000 scientific and technological research achievements, which account for some 85 percent of the total number of scientific and technological research achievements made in all of China in the last 10 years. In the old China, over 80 percent of Shandong's population were illiterate. However, now Shandong Province has 52 institutions of higher learning. Before liberation, only some 20 percent of children at school age in Shandong Province were able to go to school. Now some 98.4 percent of our school age children are able to attend school. At the time when our Chinese were called "Silk Men in the East Asia," the average age of Shandong's population was only 35. Now smallpox, kala-azar, typhoid fever, and some other types of malignant infectious diseases have basically been eliminated from our province. As a result, the average age of Shandong's population has risen to 71. Consequently, the overall health standard of the province has risen.

The rapid development of our Shandong Province over the past 40 years has radiated the socialist splendor on this old continent. Without the CPC leadership, there would be no New China. Only socialism can save and develop China. This is the common aspiration of the entire Chinese people and a historical conclusion as well. The view that "socialist experiment and failure is a major heritage of the 20th century" is a totally absurd view which cannot hold water. Because building socialism with Chinese characteristics on 9.65 million square kilometers of land is something unprecedented in the history of China, it is quite natural and unavoidable that in such a process we will probably make some mistakes and suffer certain setbacks. Nonetheless, the mistakes we make in the process of advancement can only be corrected by the CPC itself with its own force, through the self-development and self-perfection of our socialist system, and through the combined efforts of the people of all nationalities of our country. This is an irrefutable fact which has further proven that the socialist system has great vitality.

As an ancient Chinese saying goes, "40 years makes a full man." In its 40-year history, the PRC has gone through twists and turns, and has created and accumulated rich experiences in building socialism under the guidance of Marxism, Leninism, and Mao Zedong Thought. A few years ago, the Shandong people summarized the great

changes that had taken place in our Shandong Province since the 3d Plenary Session of the 11th CPC Central Committee into the "Three Reliances." Now our people have turned their "Three Reliances" into the following "Four Reliances": Reliance on the spirit of the 4th Plenary Session of the 13th CPC Central Committee; reliance on adherence to the four cardinal principles; reliance on opposition to bourgeois liberalization; and reliance on the accomplishment of four major things. So long as we firmly adhere to our basic line of "one center, two basic points," the principle of "laying equal stress on two types of work, and the 'trilogy' of our economic development, I believe that our socialist system will certainly be able to radiate more and brighter splendor in the foreseeable future.

Shandong Reports Grain Production Progress

SK0209025589 Jinan Shandong Provincial Service in Mandarin 2200 GMT 31 Aug 89

[Summary] Over the past 40 years since the founding of New China, the population of Shandong Province has increased from 45.5 million in 1949 to more than 80.6 million at present, a 77.2 percent increase over 1949. The province's grain output has increased from 8.7 billion kg in 1949 to 32.25 billion kg in 1988, a more than 2.7-fold increase over 1949. Its per capita volume of grains has increased from more than 190 kg in 1949 to more than 400 kg at present. The province's summer grain output in 1989 has reached 15.82 billion kg, topping the previous peak. Of 125 farming counties, cities, and districts across the province, 47 have surpassed the figure of 300 million kg in their total grain output over the past few years. Of the 47 counties and cities, seven, including the city of Tengzhou and the counties of Zhucheng and Pingdu, have surpassed the figure of 500 million kg. In addition, another 78 counties have also increased their total grain output to more than 500 million kg.

Shandong Plans Technology Development Zone

OW0509113489 Beijing XINHUA in English 0805 GMT 5 Sep 89

[Text] Jinan, September 5 (XINHUA)—China is building its third sophisticated technology development zone in Weihai City, Shandong Province.

The first two are in Zhuhai City in Guangdong Province and Xiamen City in Fujian Province.

According to Zhang Jinchao, vice mayor of Weihai City, the zone is located on Wenhua Road, where scientific research units are concentrated. It is well equipped with infrastructural facilities such as power, heat and water supply, and transport and telecommunications facilities.

The vice mayor said the zone will enjoy all preferential treatment given to open coastal cities by the central government and will house sophisticated technical

projects for industries, including the automation, electronics and precision machinery sectors.

Weihai City has approved 93 foreign funded projects involving 150 million U.S. dollars since it opened further to the outside world in 1984.

Central-South Region

Guangdong City Holds Anticorruption Meeting

HK0509083089 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 2 Sep 89

[Text] A mobilization meeting for cadres of Guangzhou to fight corruption and promote clean and honest government was held at Sun Yat-sen Memorial Hall this morning. Member of the Standing Committee of the provincial party committee Song Shiyang presided over the meeting. Provincial party committee Secretary Lin Ruo, Guangzhou City party committee Secretary Zhu Senlin, and Vice Governor Ling Botang delivered speeches at the meeting.

In his speech Comrade Lin Ruo said: We hold this meeting against corruption and bribery today to give publicity to the legal system and to punish grafters. This shows that the CPC central authorities' correct view on combatting corruption has been turned into a will of the state through legal procedures, and is now being conscientiously practiced by the vast number of party members and the public.

Comrade Lin Ruo pointed out: One of the common special characteristics of corruption and bribery cases in this province is that corruption cases mostly occur in financial, trade, and banking organizations while bribery cases are mostly related to economic administrative organs, judicial organs, and public facility units. Some persons in charge of electrical and mechanical engineering departments have made use of their official power to take huge bribes when offering major project contracts to bidders; while industrial and commercial enterprises and their departmental heads have been involved in quite serious corruption and graft cases. The value involved in all kinds of corruption and bribery cases has kept on increasing, and the number of corruption cases relating to foreign business firms is soaring.

Comrade Lin Ruo said: Practice has shown that the struggle against corrosion is still going on in the ideological field. This is an objective reality independent of man's will. As the southern gate of China, Guangdong Province is in the forefront of reform and opening up, and is directly facing the complicated environment stemming from the policy of one country, two systems. For this reason, the struggle against corruption is even more indispensable and arduous.

Comrade Lin Ruo noted: The provincial party committee and the provincial government hope that today's meeting will serve as a mobilization order; will inspire all the party members, cadres, and people throughout the

province to promptly plunge into the struggle against corruption; and will push them to publicize the circular issued by the Supreme People's Court and the Supreme People's Procuratorate in the province and the circular issued by the Ministry of Supervision.

Provincial and city leading comrades Ye Xuanping, Wang Ning, Yang Ziyuan, and others were present at today's meeting.

Hainan Governor's Son May Lose Hong Kong Post

HK0509015789 Hong Kong HONGKONG STANDARD in English 5 Sep 89 pp 1, 6

[By Fan Cheuk-wan]

[Text] The Governor of Hainan is expected to be stripped of his job this month, and his Hong Kong-based son says he fears for his own position as a result.

The island's Provincial People's Congress is to be convened this month and is expected to announce the official decision to dismiss Mr Liang Xiang, who has been in Beijing for seven weeks. If this happens, Mr Liang, 70, will be the highest official to be punished in the nationwide crackdown on corruption.

He has been governor of China's newest province and largest special economic zone for only a year.

Mr Liang's eldest son, Mr Liang Ming, a senior executive of a China-backed enterprise in Hong Kong, said yesterday he was worried his position here would be affected. He said he believed his father would be removed but refused to comment on allegations of corruption.

"The incident will definitely affect my business in Hong Kong because I am a Chinese official sent to work here," he said.

Mr Liang junior came to Hong Kong in 1983 as a senior executive with Shum Yip (Holdings) Limited, representative company of the Shenzhen Municipal Government here.

He left Shum Yip several months ago to prepare for the establishment of the Hong Kong branch office of a foreign trade company in Beijing.

He denied reports that he had been summoned back to the mainland for investigation.

Informed sources in Haikou said yesterday Mr Li Changchun, governor of Liaoning, was tipped to succeed Mr Liang Xiang in Hainan's top post.

The source said the central government preferred Li Changchun because he was an outstanding and competent candidate and one of the youngest governors in China.

"Moreover, Li has served in the northeast for a long period. A new governor coming from an area remote

from Hainan will keep himself aloof from the complicated factional conflicts in the Hainan government."

Sources said the six secretaries serving Mr Liang in the provincial government had been removed and were finding other jobs in the government. They said Mr Liang was still in his post because he had to be dismissed by the provincial people's congress which elected him.

Mr Liu Xuqin, secretary general of the Hainan Provincial Government, said: "The final settlement of Mr Liang's issue should not be delayed any more."

Although the decision had to be passed by the provincial council, it also needed approval from Beijing, he said.

Henan Secretary Yang Xizong Confident of Future

HK0609090489 Beijing RENMIN RIBAO in Chinese 26 Aug 89 p 4

[Article by Yang Xizong (2799 2649 4844), secretary of Henan Provincial CPC Committee: "What the Enormous Changes Over the Past 40 Years Show"]

[Text] It is 40 years since the New China was born. Along with the motherland, which has been heading forward, the people of Henan Province have also covered a uncommon journey.

The people of the Central Plains, who are diligent and unadorned, have created the brilliant Chinese culture and made enormous contributions to man's civilization and progress. But in a period of 2,000 years, the people failed to change their status and fate; they were oppressed, enslaved, and exploited, struggling for existence on the brink of death until the eve of liberation. The founding of the New China enabled them to take their destiny into their own hands. Over the past 40 years, the people on the Central Plains, under the leadership of the party and taking the socialist road, have created a new happy life with their untiring hands, bringing about historic changes in the face of the Central Plains. The local national economy, which was a scene of devastation, has been changed into an economic system which is complete in range and rational in structure, though it is still in the initial stage. The annual industrial output is 228.4 times that of 1949; annual agricultural output 5.1 times; and the grain production, in particular, has increased from 14.27 billion jin in 1949 to 60 billion jin, being more than self-sufficient. Undertakings in science, technology, culture, public health, and physical culture, which were very backward before liberation, have expanded enormously, and the popular living standards have been improved day by day. In the short period of 40 years, the great changes happening on Henan's 160,000 square kilometers of land are without parallel in any periods in past dynasties. It shows the unparalleled superiority of the socialist system, and further strengthens the confidence and resolve of the people in Henan province to take the socialist road under the leadership of the CPC.

The 3d Plenary Session of the 11th CPC Central Committee opened a new chapter in the annals of the republic, and caused the socialist construction in Henan Province to enter a new development period. The people throughout the province have since plunged into the fiery reform, which swept from the countryside to cities with great enthusiasm, turning reform measures into colorful realities. In the last decade, the province's gross national product registered a 177 percent increase, basically solving the problem of not having enough to eat and wear. The initial objective of the economic development strategy has been basically realized. It can be said that the last decade was the period when we conscientiously carried out the political line and policies laid down by the 3d Plenary Session of the 11th CPC Central Committee, and when the socialist construction in our province proceeded most rapidly and most smoothly. Facts show that so long as we abide by the four cardinal principles, correctly carry out the CPC Central Committee's open and reform policies, the superiority of the socialist system will be fully brought out, and our socialist cause will preserve its vitality for ever. We should at all times adhere to the four cardinal principles, resist and combat bourgeois liberalization, and watch out for any attempt to alter China's socialist course.

The people in Henan Province scored one victory after another in the socialist construction during the last 40 years, bringing about great changes, but they also made detours and paid prices. Some experiences and lessons are unforgettable.

—An experience that we must learn by heart is that we should free ourselves from old ideas, seek truth from facts, tell the truth, and do solid things. We should at all times integrate the universal truth of Marxism and the policies laid down by the central authorities with the local concrete practice, and proceed from reality. We should learn from experiences of other places, but should not copy them indiscriminately; we should be unwilling to lag behind, but should not be overanxious for quick results; and we should attend to our work enthusiastically, but should take a scientific approach and avoid formalism.

—Having a poor foundation to start with, the people in Henan must build socialism in a down-to-earth way, and work hard from generation to generation, brooking no tendency to boasting and exaggeration. At a troubled time we should work hard rather than recoil in fear and lose heart; while under favorable circumstances, we should also work hard rather than be unrealistically optimistic and be carried away by success. We should lay a foundation for generations to come, that is, make preparations today for tomorrow. We should make unremitting efforts to invigorate Henan step by step, and develop it with firm and indomitable spirit. — Stability and unity are two indispensable conditions for building socialism. The people in Henan, who have suffered from turmoil, should treasure more than ever the present stability and unity, which was not easily won. Maintaining and

strengthening the unity of cadres, the unity of people, and social stability are the common aspirations of the people province-wide, and is also where our strength for building socialism lies. We should consistently insist on "grasping with two hands [liangshou zhua 0357 2087 2119]," vigorously strengthen party building and the building of democracy and a legal system to ensure that we can build socialism in Henan in a more stable, quicker, and better way.

Currently, Henan is comparatively backward in many respects, and we are to come up against difficulties in the course of development, but we are fully confident that we will be able to achieve the magnificent goal of quadrupling the production by the end of this century, and that the Central Plains will spring up economically. The socialist construction over the past 40 years has laid for us a solid foundation and accumulated rich experiences, positive and negative; Henan, located in the Central Plains, enjoys transport facilities and geographical superiorities and is rich in natural resources, so it has great potential in economic development. With the above at their disposal and under the guidance of the party's correct political line and policies, the spirit of the 4th Plenary Session of the 13th CPC Central Committee, and the wise leadership of the party's new core of leadership, the 80 million people in the Central Plains, who have a glorious tradition and are sure to display their new, elegant demeanor and further call forth their enthusiasm and enterprising spirit in socialist construction, will achieve greater successes. Socialism has a bright future, and the Central Plains are promising.

Henan Standing Committee Adopts Resolutions

HK0209062489 Zhengzhou Henan Provincial Service
in Mandarin 2200 GMT 31 Aug 89

[Text] The 11th meeting of the 7th Standing Committee of the Henan Provincial People's Congress, which lasted 6 days, closed in Zhengzhou yesterday. Yang Xizong, chairman of the Standing Committee of the provincial People's Congress, presided over the meeting. Present at the meeting were vice chairmen of the Standing Committee of the provincial People's Congress Lin Xiao, Wu Shaokui, Guo Peijun, Fan Lian, Hu Tingji, Zhao Wenlong, and Hou Zhiying. Also present at the meeting as non-voting observers were the provincial Higher People's Court President Zheng Zengmao and the responsible person of the provincial People's Procuratorate.

Through voting, the meeting adopted the resolution of the Standing Committee of the Henan Provincial People's Congress on tightening control over the cultural market, the resolution on stepping up economic development of impoverished areas, and the resolution on stepping up the energy economy drive. The meeting also ratified the procedures for collection of the polluted water drainage service charge of Henan Province, the decision on the time for reelection of deputies to people's congresses at the county and township levels, the resolution on the provisional regulations governing operation

of the presidiums of people's congresses of towns and townships of Henan Province, and a list of personnel appointments and removals.

Southwest Region

Sichuan Group Tours USSR; Signs Contracts

HK0409065789 Chengdu Sichuan Provincial Service
in Mandarin 2200 GMT 1 Sep 89

[Text] The China Huaxi Enterprise Corporation, an enterprise for connecting Sichuan with other countries, sent a 10-member expert delegation to the Soviet Union in July for a month-long investigation tour.

During its stay in the Soviet Union, the delegation mainly visited the two oblasts of Novosibirsk and Chelyabinsk, finally toured Moscow and exchanged views, and came to an agreement with responsible persons of the agricultural and industrial committee of the Russian Soviet Federated Socialist Republic on some problems of common concern relating to policies.

The delegation signed seven protocols with the two oblasts, including 16 engineering projects. The Soviet side will come to China in September and October to conclude the contracts.

Sichuan Publishing House Closed for Violations

HK0609063589 Beijing RENMIN RIBAO in Chinese
29 Aug 89 p 2

[Report by Reporter Luo Maocheng (5012 5399 1004): "The Sichuan Provincial Social Science Academy Publishing House Abolished for Seriously Violating Publication Rules and Regulations"]

[Text] Chengdu, 28 Aug—Relevant departments in Sichuan Province have decided to expel from the party Zhang Li, publisher of the Sichuan Provincial Social Science Academy Publishing House, and Li Jiawei, editor of the publishing house, for their mistake of publishing without authorization an anti-communist book titled "Full Biography of Du Yuesheng." Zhang Li has been dismissed from his post as publisher of the publishing house, and his salary has been reduced by two grades. Due to the fact that Zhang and Li have violated the law, the judicial department is handling their cases in accordance with law. The license of the publishing house has been revoked by the Press and Publishing Bureau of the province.

The Sichuan Provincial Social Science Academy Publishing House was established in March 1983. Its purpose was to publish books and articles of the research workers of the academy, compile reference materials, and publish various kinds of journals of the academy. However, it seriously violated publication rules and regulations by going beyond the range of its operations. It published many books with unhealthy and vulgar contents such as "Tianguo Qian" (Strange Cases in the

Kingdom of Heaven), and so on. It was punished by the state in 1985 because of this and its operations were suspended. What was particularly serious was that in September 1988, it published an anti-communist book titled "Full Biography of Du Yuesheng." In many places, the book insults the CPC, communist leaders, and patriotic democratic personages; slanders the worker's movement and the people's revolutionary struggle; praises the counterrevolutionary crimes of Chiang Kai-shek of "purging the party" and the beatifying of Du Yuesheng. The fact that such an anti-communist book was published is a rare happening in the history of publication in our country. It has had a very bad influence on society.

Military Leaders Attend Tibet Cultural Show

HK0509020589 Lhasa Tibet Regional Service
in Mandarin 1030 GMT 4 Sep 89

[Excerpts] On the evening of 2 September, the Chengdu Military Region staged a cultural soiree in the hall of the Tibet Military District to thank the leading organs and the people of all nationalities in Tibet for their kindness to the people's soldiers. [passage omitted] Lieutenant General Fu Quanyou, commander of Chengdu Military Region, and Major General Zheng Xianbin, deputy director of the Political Department, attended together with leaders of Tibet Military District, including Jiang Hongquan, Zhang Shaosong, Liu Yongkang, and Geng Quanli. [passage omitted]

Yunnan Meeting Reviews Anticorruption Drive

HK0509041689 Kunming Yunnan Provincial Service
in Mandarin 1200 GMT 2 Sep 89

[Excerpts] The regional party committee held a meeting of party committee secretaries at the prefectural, autonomous prefectural, and county levels in Kunming on 31 August, discussing and arranging the work of further enhancing party building.

Regional Party Committee Secretary Pu Chaohu presided over and addressed the meeting. [passage omitted]

Luo Yuntong, secretary of the provincial Discipline Inspection Commission, delivered a speech on what the province had done in punishing corruption and maintaining a clean and honest administration. He first spoke on the fight against corruption in our province, noting that since the fourth plenary session, under the direct leadership of the regional party committee, the situation in the fight against corruption is encouraging. The struggle as a whole has built up a momentum and has begun opening up a new prospect. With regard to a certain number of major and serious cases, some have been confirmed and some have been investigated to a certain extent. The broad masses of the people have begun rising, and have actively reported and exposed criminal offenses to special organs. This has helped us discover some more clues to criminal cases. However, the struggle has just started in most areas and units. Few economic criminals are still depending on luck and are

trying to get by under false pretences. Leaders in certain areas are full of worries about the struggle and have been found weak and incapable. For this reason, we must deepen our understanding, strengthen leadership, correctly apply policies, firmly resolve to fight with our backs to the river, and lead in depth the fight against corruption.

Luo Yuntong pointed out: To create a wider situation in the fight against corruption, it is necessary to view the struggle from the plane of class struggle. The serious economic crimes such as corruption, graft, blackmail, and deals of money and power are in fact the reflection of class struggle in the economic field under the new situation. To further fight corruption, party committees at all levels should strengthen their leadership. [passage omitted]

Yunnan Sentences 41 Economic Criminals

HK0409023189 Kunming Yunnan Provincial Service
in Mandarin 1200 GMT 1 Sep 89

[Excerpts] The third public trial rally and cadres meeting against economic criminal offences was held in (Guodeng) gymnasium, Kunming City, yesterday morning. Forty-one criminal offenders were sentenced severely or leniently, according to their cases. The rally urged party and government organizations, judicial organs, CPC members, and all the Kunming people to study conscientiously and implement the circular jointly issued by the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Justice, to wage steadfastly the struggle in a down-to-earth manner to oppose corruption, promote clean and honest government, crack down on economic crimes, and investigate major and important cases, so as to ensure the smooth progress of reform and other work.

During the public trial rally, president of the city Intermediate People's Court (Cai Guodong) and president of the (Tenglong) district People's Court (Wu Guangxiang) separately pronounced the judgments. Five culprits, namely, (Liu Jie), (Zhang Shilin), (Li Yongnian), (Lin Xiaoli), and (Feng Guoliang), who made use of their official status, misappropriated properties of the state and the collective, embezzled large sums of public funds, and asked for and accepted bribes, were sentenced to death or imprisonment. [Passage omitted] The cadres meeting was presided over by (Wang Rencai), deputy secretary of the Kunming City CPC Committee and head of the leading group in charge of political and legal affairs under the city party committee. Wang Xintian, member of the Standing Committee of the Yunnan Provincial CPC Committee and secretary of the Kunming City party committee; and Yin Jun, deputy secretary of the provincial party committee and head of the leading group in charge of political and legal affairs under the provincial party committee, addressed the meeting. [passage omitted]

Present at the meeting were Secretary of the Yunnan Provincial CPC Committee Pu Chaozhu, Deputy Secretary Nie Ronggui, members of the Standing Committee of the provincial party committee (Zhao Shumin) and Ren Keli, the provincial Discipline Inspection Commission Secretary (Luo Yuntong), former leading comrade of the provincial party committee (Sun Yuting), and other provincial and city leading comrades.

Also present at the meeting were representatives currently participating in the provincial conference on nationality work and the second provincial meeting to commend those who made contributions to promotion of nationality solidarity; responsible people of provincial departments, commissions, offices, and bureaus; and responsible persons of all the universities and colleges in the province.

North Region

Report on Panic Grain Buying Termed 'Groundless'

OW0409010689 Beijing XINHUA in English
0048 GMT 3 Sep 89

[Text] Beijing, September 4 (XINHUA)—An official of the Beijing Municipal Grain Bureau today described a report by UNITED PRESS INTERNATIONAL about panic buying of grain in the city as "groundless".

He said that grain supplies are sufficient and grain prices stable in the Chinese capital.

The official quoted a report by UPI August 30 as saying "fear of a poor autumn rice harvest has triggered a spree of panic buying in Beijing that has sent prices climbing and caused shortages of high quality rice in free markets throughout the city."

In an exclusive interview with XINHUA today, the official said that with "sufficient supply and stable prices", the grain market in Beijing is "very stable", adding that "the UPI report is merely a fabrication and an offence against press morality."

In fact, he said, grain sales since the beginning of August have been a little lower than in the same period of last year. "There is no grain panic buying at all," he said.

Beijing residents get their grain rations at local grain stores. Some turn to free markets for more high quality rice. "The present price of high quality rice on the free markets is a bit lower than in the beginning of the year," the official explained.

He said Beijing saw a record summer crop harvest this year and a good autumn harvest is expected, thanks to efforts to fight drought by farmers in the suburbs of the municipality.

Tianjin Holds Propaganda Work Conference

SK0509002989 Tianjin TIANJIN RIBAO in Chinese
8 Aug 89 pp 1, 4

[Excerpts] Tianjin Municipality held a conference on propaganda work from 4 to 7 July. Present at the conference were party committee secretaries in charge of propaganda and ideological work; and Propaganda Department directors of various departments, commissions, offices, districts, counties, and bureaus; and responsible comrades of various institutions of higher learning, journalist agencies, publishing houses, literary and art departments, theoretical departments, plants, mines, and enterprises—more than 1,100 people in all. The conference relayed and studied the guidelines of the national meeting of Propaganda Department directors, and studied and arranged for the municipal propaganda and ideological work. The conference called on party organizations at all levels, and all comrades on the propaganda and ideological front in the municipality, to clearly understand the current situation, enhance their spirit, seize the opportunity to advance on the crest of a victory, enliven and strengthen the municipal propaganda and ideological work with a view to making positive contributions to stabilizing the current situation, developing the economy, deepening reform, punishing corruption, strengthening party building, promoting the building of spiritual civilization and the legal system, and consolidating and developing the excellent situation of the municipality.

At the beginning of this conference, Xie Guoxiang, director of the Propaganda Department of the municipal party committee, relayed the speech made by a central leading comrade at the national meeting of Propaganda Department directors and other relevant documents, and offered eight suggestions for implementing the guidelines of the national meeting of Propaganda Department directors. These suggestions were: deepening the study of the documents defined by the 4th plenary session of the 13th party Central Committee; organizing forces to write and compile papers, books, and teaching materials aimed at upholding the four cardinal principles, and opposing bourgeois liberalization; thoroughly checking up on and rectifying the markets of books, periodicals, cassette tapes, and video tapes, and resolutely and appropriately rectifying newspaper and periodicals publishing houses; straightening out the political direction of journalism and strictly enforcing the journalist and propaganda disciplines; strengthening the education on Marxist theories among cadres; strengthening the regular propaganda work with a focus on economic construction, and strengthening the propaganda on maintaining administrative honesty and punishing corruption; and strengthening the building of the ranks of propaganda workers ideologically and organizationally. Tan Shaowen, deputy secretary of the municipal party committee; Nie Bichu, deputy secretary of the municipal party committee and acting mayor of the municipality; and Huang Yanzhi, member of the Standing Committee of the municipal party committee

and head of the leading group for propaganda and ideological work under the municipal party committee, made speeches at the conclusion of the conference. [passage omitted]

In his speech, Comrade Huang Yanzhi set hopes and demands on the departments and comrades engaged in propaganda and ideological work. He concisely reviewed how the student unrest developed into turmoil and then into the counterrevolutionary rebellion, and what grave consequences were caused by Comrade Zhao Ziyang's negligence in ideological and political work and which led to the vicious unchecked spread of bourgeois liberalization. Then, he pointed out that the current turmoil and counterrevolutionary rebellion educated us with bitter experience, and he urged us to understand profoundly the great significance of the propaganda and ideological work. [passage omitted]

Huang Yanzhi pointed out: The ranks of propaganda workers shoulder arduous tasks, which, in the final analysis, aim at occupying the ideological front with the socialist ideas. In light of the current situation, propaganda workers should first unite the ideas of the vast number of cadres, party members, and the masses with the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speech. They should use facts to educate and convince the people that the current incident is a planned, premediated, and pre-organized turmoil and counterrevolutionary rebellion. They should guide the people, particularly some comrades who are unable to get rid of their ideological hang-ups, to overstep their limits, not to be swayed by personal feelings of gratitude or resentment, to approach the current struggle from the high plane of history and overall interest, and not be misled by superficial appearances and controversy over minor matters. Second, they should actually clarify those theoretical rights and wrongs, which have been confused by bourgeois liberalization. The confusion in ideology stems from the confusion in theory. Over the past few years, some people, instigated and supported by Comrade Zhao Ziyang and who stubbornly cling to the stand of bourgeois liberalization, have seized a part of our ideological, theoretical, and media fronts; spread a vast amount of reactionary falsehood in the ideological sphere; and created confusion in people's ideas, thus making some people lose their bearings in the face of the major political struggle. To set things right, we are required to work with both hands. With one hand, we should classify those reactionary viewpoints spread by advocates of bourgeois liberalization over the past few years, and take stock of them one by one to set wrong things right. With the other hand, we should purposefully answer those major theoretical questions about which the people are universally concerned, and about which the people feel uncertain. For instance, why must we persistently take the socialist road? Why must we uphold the CPC leadership? Why is there protracted and complicated opposition between the four cardinal principles and bourgeois liberalization? Third, in conducting

ideological and political work, they should regularly attach importance to the teaching of patriotism, socialism, independence, initiative, arduous struggle, and lawfulness; and they should pay attention to opposing ultra-individualism, the worship of money, anarchism, worship of foreign things, and various corrosive and degenerate trends. At the same time, they should explain theories, history, national condition, and traditions to the vast number of cadres and masses to help them improve their ideological and political awareness, and their ability to judge what is right and what is wrong.

Comrade Huang Yanzhi stressed: To enhance the combat capacity of the ranks of propaganda and ideological workers, we must strengthen ourselves. First, we should study harder, to have a good grasp of the fundamental tenets of Marxism, and should further straighten out the political direction so that we can grasp the essentials from a variety of contradictions and grasp the correct direction from the unpredictable development of things. At the same time, we should strengthen organizational building, and strictly enforce propaganda discipline in an effort to make the ranks of propaganda and ideological workers cleaner, more united, and more combat-worthy. Comrade Huang Yanzhi expressed hope that comrades, engaged in propaganda and ideological work throughout the municipality, would uphold the four cardinal principles, oppose bourgeois liberalization, comprehensively implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, implement the guidelines of the national meeting of Propaganda Department directors and the demands set on them by the municipal party committee, enhance spirit, improve workstyle, and work to create a new situation in propaganda and ideological work.

Through conscientious study of the documents defined by the national meeting of Propaganda Department directors, and the speeches made by leading comrades of the municipal party committee, the comrades participating in this conference profoundly discussed and summarized experiences and lessons in line with reality. As a result, they enhanced their understanding, grasped the spiritual weapon, defined the work orientation for the future, strengthened their senses of responsibility and mission, and became more confident of the success of propaganda and ideological work. Participants said that they would certainly attend to the work on the propaganda and ideological front under party leadership in line with the demands of the party Central Committee and the municipal party committee to make the socialist ideas actually occupy the ideological front and create a new situation in the municipal propaganda and ideological work.

The leading comrades present at the conference also included Hao Tianyi, Yang Jingheng, Wang Xudong, Wang Chenghuai, Li Huifen, Lan Baojing, Shi Jian, Li Changxing, Li Zhendong, Zhang Zhaoruo, Qian Qiao, He Guomo, Wang Liji, Han Enping, Li Jiangguo, and Fang Fengyou. Also present were members of the leading

group for propaganda and ideological work under the municipal party committee, and responsible comrades of the municipal Discipline Inspection Commission, the Propaganda Department of the municipal party committee, the general office of the municipal party committee, the research office of the municipal party committee, and the research office of the municipal government.

Northeast Region

Liaoning Forum Considers Bourgeois Liberalization

SK0209042989 Shenyang LIAONING RIBAO
in Chinese 18 Aug 89 p1

[Excerpts] On 15 August, the Propaganda Department of the provincial party committee, the provincial Federation of Philosophic and Social Sciences societies, and the LIAONING RIBAO office jointly held a forum of the theoretical circle to study the documents of the fourth plenary session and Comrade Deng Xiaoping's important speeches and to criticize bourgeois liberalization. Comrades attending the forum took the documents of the fourth plenary session and Comrade Deng Xiaoping's recent important speeches as the guidance, profoundly reviewed the theoretical work of the past few years, conscientiously summed up experiences and lessons in theoretical work, and profoundly analyzed and criticized the main erroneous viewpoints concerning bourgeois liberalization, including the "theory of regarding Marxism as outdated," the "theory of regarding socialism as a failure," the "theory of private ownership of the means of production," the "theory of regarding the development of socialism and capitalism as identical," the "theory of having different parties to rule the country," and the sense of bourgeois democracy and freedom.

The participants held that during the past few years, the targets that the people who stubbornly stuck to bourgeois liberalization had concentratively attacked were Marxism and Leninism—the theoretical foundation guiding our ideology. They held that only by eliminating the socialist theoretical cornerstone of Marxism could they realize the goal of negating the party leadership and the socialist system. To achieve this, they fabricated all types of public opinions to attack Marxism-Leninism-Mao Zedong Thought. Of this, the most influential and fraudulent was the "theory of regarding Marxism as outdated." Comrades attending the forum pointed out that even though some new changes have occurred in the world situation after World War II, and some new situations have occurred in the development of socialism and capitalism, the basic contradictions in the capitalist society have not changed at all. Therefore, the law governing the development of human society and the fundamental tenets of Marxism will never become outdated. In the past, we adopted an attitude of upholding and developing Marxism. Our attitude toward Marxism is so at present and will be so in the future.

The "theory of the private ownership of the means of production," was another important viewpoint actively spread by those persons who stubbornly stuck to bourgeois liberalization. Comrades attending the forum pointed out that if we said the advocacy of the "theory of regarding Marxism as outdated" is a theoretical guiding principle of negating the party leadership and the socialist system practiced by a small number of persons who stubbornly stick to bourgeois liberalization, then the "theory of private ownership" is their typical economic guiding principle. They advocated "private ownership" in a vain attempt to change the socialist nature of our country. This is their practical move to follow the capitalist road. [passage omitted]

In line with the "theory of private ownership," the participants also forcefully criticized the "theory of regarding socialism as a failure," and the "theory of regarding the development of socialism and capitalism as identical." [passage omitted]

At the forum, Comrade Zhang Xingxiang, deputy director of the Propaganda Department of the provincial party committee, gave a speech on how to make the theoretical circle implement the guidelines of the fourth plenary session and how to oppose realistically bourgeois liberalization. Attending the forum were more than 30 persons, including responsible comrades of the theoretical study and propaganda departments under the direct control of the province.

Liaoning Leaders Discuss Working Class Role

SK0209035589 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 30 Aug 89

[Text] At a work meeting of the Standing Committee of the provincial party committee, held on the morning of 30 August, leading comrades of the provincial party committee discussed and studied ways to wholeheartedly rely on the province's working class and fully display its role as the main force, and set forward specific demands on the province's future trade union work.

Leaders of the provincial party committee, including Quan Shuren, Li Changchun, Sun Qi, Chen Suzhi, and Wang Chonglu; Shen Xianhui, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; and responsible comrades of the provincial Trade Union Council, attended the meeting.

After hearing a report to relay the guidelines of the enlarged meeting of the presidium of the third session of the 11th committee of the All-China Federation of Trade Unions and a report on the work of the provincial Trade Union Council given by the responsible comrade of the provincial Trade Union Council, Quan Shuren, secretary of the provincial party committee, said: Our party is the vanguard of the working class. Therefore, we must wholeheartedly rely on the working class. During the time when he took charge of office work, Comrade Zhao Ziyang weakened the role of the party and the working

class. He only stressed the importance of using competent personnel to run plants and mobilizing the enthusiasm of enterprise managers. He thus dampened the enthusiasm of the working class. This time, the central leaders explicitly pointed out that the working class, particularly the mighty industrial army, is the main force for carrying out the four modernizations drives, opposing bourgeois liberalization, and stabilizing the overall situation; and it has played a decisive role in stabilizing the situation. As in other parts of the country, some people in Liaoning stirred up trouble, established ties, and went on strike during the time when turmoil and rebellion occurred in Beijing. However, our workers stood up to oppose them and displayed a high sense of awareness.

Comrade Quan Shuren stressed: In the past, we always set the managers against workers, overemphasized knowledge, and neglected practical experiences. We paid no attention to training and promoting cadres among workers. This was a basic manifestation of the weakening of the role of the working class. Some people see the practice of relying on the working class as conflicting with the work of strengthening party leadership. All this has affected our practice of wholeheartedly relying on the working class. We should do a good job in solving these problems and correct the tendency of weakening the role of the working class.

In his speech, Sun Qi, deputy secretary of the provincial party committee, put forward specific demands on wholeheartedly relying on the working class and fully displaying the role of the working class as the main force. He said: In the future, among the deputies, we should appropriately increase the proportion of workers. Model workers should be selected, particularly from among industrial workers. Attention should be paid to recruiting party members from workers on the forefront of production. To recruit party members from workers on the forefront, the party committees and organization departments at all levels should pay attention to this in their everyday work. In enterprises, issues involving the interests of workers should be solved by the trade unions.

Comrade Sun Qi said: The trade union is a big communist school. We have failed to mention this over the past few years. At present, we should stress this point and makes it more outstanding.

In referring to the relations between the work of trade unions and the party leadership, Comrade Sun Qi said: The mistakes of Comrade Zhao Ziyang also affected the work of the trade unions. He only stressed the aspect of letting trade unions act independently. This is not complete. We must readjust this in the course of practice. Trade unions at all levels should place themselves under the leadership of the party committees of the corresponding level. The trade unions of enterprises should place themselves under the leadership of the enterprise party committees. On the premise of stressing the leadership of party committees, we should display the independent role of the mass organizations.

Liaoning Sponsors Press Theory Forum

SK0609040689 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 2 Sep 89

[Excerpt] The Propaganda Department, under the provincial party committee, sponsored a journalist theory forum on 31 August. It was stressed at the forum that journalist departments should enhance reeducation on Marxist journalistic theories and uphold the correct orientation of journalist work.

It was held, by the participating comrades at the forum, that over a long period of time some bourgeois journalist viewpoints had seriously eroded our journalist ranks because of the rampancy of bourgeois liberalization; that their harmfulness had fully cropped up over the course of events, from the recent student unrest to the disturbance, and even to the counterrevolutionary riot; and that the lesson drawn from the harmfulness had been quite profound. Therefore, we are required, by bearing in mind the reality, to review and appraise again the journalist work done over the past few years, to purposefully analyze and criticize the viewpoints of bourgeois liberalization in journalist circles, to distinguish right from wrong, to summarize our experience gained in the work, to accept the lesson, and to strengthen the building of journalistic theories in the province's journalist ranks by applying the Marxist journalist viewpoints.

During the forum, the participating comrades enthusiastically voiced their opinions. Some veteran comrades who had engaged in journalist work for many years, by bearing their work experience in mind, held that the journalist principle of proletarian party spirit represents the cornerstone of Marxist journalism, which cannot be shaken under any circumstances. The practice conducted by some personnel, who have bourgeois journalist viewpoints, to arbitrarily obliterate the journalist principle of proletarian party spirit, and to negate the role of socialist journalist undertakings in being the party's mouthpiece, has proven to be aimed at changing the character of proletarian journalist undertakings.

During the forum, the participating comrades exposed the sham and fraudulent nature of bourgeois journalist liberalism by enumerating a host of facts; analyzed the rioters' sinister intention and reactionary essence of the so-called removing of press report prohibitions; and held that, by judging from the disturbance and the counterrevolutionary riot, freedom advocated by those who had indulged in bourgeois liberalization was that of distorting the facts, that of cooking up stories to mislead people, and that of toppling the CPC's leadership and the PRC's authority. Freedom is not absolute, but always relative and conditional. If those who had indulged in bourgeois liberalization were able to obtain the freedom of changing the country's color, the people throughout the country would finally lose their freedom.

During the forum, the participating comrades also put forward their opinions on conducting reeducation on Marxist journalist theories among journalist units in the

province by bearing in mind the state of affairs in the journalist circles and their manifestations during the disturbance.

During the forum, Wang Chonglu, member of the provincial party Standing Committee and director of the Propaganda Department under the provincial party committee, delivered a speech. [passage omitted]

Northwest Region**Qinghai Reports Industrial Output Value**

HK0409070889 Xining Qinghai Provincial Service
in Mandarin 2230 GMT 1 Sep 89

[Excerpts] Since the founding of the People's Republic 40 years ago, our province had made big progress in industrial production and its economic strength has grown quickly. In 1949, our province had merely 15 industrial enterprises with less than 3 million yuan in fixed assets and only a dozen kinds of products, and the gross industrial output value in 1949 was 18.71 million yuan. The industry of our province just started on such a basis after liberation. From 1950 to 1988 the state had invested more than 10 billion yuan in the industry of our province, and now there is a relatively comprehensive industrial system in our province which includes the light and textile industries, food industry, chemical industry, machine-building industry, metallurgical industry, and the power industry. [passage omitted] With the industrial foundation strengthened, the total industrial output value, the major industrial products, and output of our province have increased by a big margin. By 1988, the province's annual gross output value of industrial production amounted to 3.6195 billion yuan, accounting for 45.8 of the gross value of social products. [passage omitted] The per capita net industrial output value of our province rose from 4.09 yuan in 1949 to 360.73 yuan in 1988. [passage omitted] Taxes and profits turned over to the province by the industrial and transportation enterprises in 1988 amounted to 549.88 million y. [passage omitted]

Increased Shaanxi Birth Rate Jeopardizes Quota

HK0509040789 Xian SHAANXI RIBAO in Chinese
14 Aug 89 p 1

[Report by Yan Yongde (7051 3057 1795): "Birth Rate Rapidly Rises in Shaanxi Province: 400,000 Babies Were Born in the First Half of This Year"]

[Text] How is the population growth in our province this year? The relevant department recently issued statistical reports, conducted typical investigations, and made analyses. Laying before the directors of planned parenthood commissions in all prefectures and cities are worrisome figures: From January to June about 400,000 babies were born in the province as a whole. This represents a birthrate of 13 per thousand, or an increase of 0.2 percentage points over the same period last year.

According to the ordinary law governing seasonal births, more babies are born in the second half than in the first half of the year. If this trend is not brought under control, it will again be difficult for our province to fulfill the population control plan.

The statistical data not only reveals the serious rebound in births, but also show the main reasons for the rise in population growth: 1) The province as a whole is in a baby boom period, and the phenomenon of early marriage and early birth is serious in the rural areas. Of the babies born in the first half of this year, the number of first births accounted for 48 percent. 2) Since the second half of last year, we have failed to adopt remedial measures against those pregnant outside the plan. The result is that the number of people giving birth to two or more babies outside the plan accounts for 34.17 percent. The grim population situation puts strong pressure on the comrades who have worked hard to control the population. After analyzing the causes and drawing the lessons, both positive and negative, they have noted not only the achievements but also the problems. They do not dodge issues or feel discouraged. On the contrary, they are more soberly aware that if, in the remaining 4 and 1/2 months of this year, remedial measures can be taken against the 20,000 pregnant outside the plan, there is still hope of fulfilling the province's annual population plan.

Xinjiang Opens Ideological Work Conference

HK0409104289 Urumqi Xinjiang Regional Service in Mandarin 1130 GMT 2 Sep 89

[Excerpts] The regional propaganda and ideological work conference opened in Urumqi on 2 September.

The meeting, held by the regional party committee following the political turmoil and counterrevolutionary rebellion, is aimed at checking the widespread influence of bourgeois liberalization and improving the weakness of ideological and political work. [passage omitted]

Regional party committee Deputy Secretary Janabil presided over today's session and made a speech. He said: Through the meeting, leaders at all levels and cadres on the propaganda and ideological fronts of the region should have a clear understanding of the situation, brace themselves, seize the opportune moment and take advantage of the situation to promote propaganda work, seriously strengthen propaganda and ideological work as required by the fourth plenary session, uphold the four

cardinal principles, and combat bourgeois liberalization; and should make due contributions in stabilizing the situation, developing the economy, deepening the reforms, punishing corruption, enhancing party building, and strengthening the building of spiritual civilization, democracy and legality. [passage omitted]

Xinjiang Officials Discuss Nationality Unity

HK0509091489 Urumqi Xinjiang Regional Service in Mandarin 1130 GMT 4 Sep 89

[Excerpts] The party committee, people's government, and the Military Subdistrict of Changji Hui Autonomous Prefecture and a unit of the Xinjiang Military District solemnly held a rally in Fukang County this morning to name Fukang County the model county for the unity and progress of minority nationalities and the unity between the army and the people, and to confer the glorious title of supporting the government and cherishing the people to a unit of the Xinjiang Military District stationed in Fukang County.

Wang Enmao, vice chairman of the National Chinese People's Political Consultative Conference Committee and chairman of the Xinjiang regional Advisory Commission; regional party and government leaders Song Hanliang and Tumur Dawamat; and Wulatayefu, deputy political commissar of the Xinjiang Military District; paid a special visit to Fukang County to attend the rally and extended warm congratulations. [passage omitted]

Speaking at the rally, Comrade Wang Enmao pointed out: The unity of the nationalities concerns the overall situation in Xinjiang, which is related to social stability, socialist construction, the smooth implementation of the reform and opening up policy, and the fundamental interests of all nationalities. For this reason, to cement the unity of all nationalities is a long-term task and it is necessary to make unremitting efforts to pay great attention to it.

Comrade Song Hanliang stressed in his speech: To promote the unity of all nationalities and the unity between the army and the people at the moment, what is most important is to study seriously and implement in depth the spirit of the 4th Plenary Session of the 13th CPC Central Committee to build the unity of all nationalities and the unity between the army and the people on a solid ideological and political basis, and to ensure that economic construction and all other fields of work will develop smoothly. [passage omitted]

Mainland, Taiwan Martial Law Differences Noted

OW0409145189 Beijing in Mandarin to Taiwan
0205 GMT 25 Aug 89

[From the "Rambling Talk on Current Events" program]

[Excerpts] Dear listeners: We will discuss martial law during this program. The mention of martial law may remind you of the martial law imposed in Lhasa, Tibet, on the mainland starting in March this year, and in parts of Beijing starting on 20 May. It may also call to mind the martial law that lasted for more than 30 years in Taiwan.

Dear listeners: People who have suffered under the martial law imposed by the Taiwan authorities for more than 30 years may not understand the happenings on the mainland. They may draw an incorrect analogy between the more than 30 years of martial law on Taiwan and the martial law enforced today by the motherland's government in Lhasa and parts of Beijing. They may get the mistaken idea that the martial law enforced in Lhasa and parts of Beijing impairs the people's democracy and freedom. Under the influence of some mass media of the United States and the West, some listeners might think that the martial law order of the motherland's government violates a taboo, and is illegal and inhuman.

Dear listeners: Martial law, as a coercive measure for an extraordinary period, is not unique to the Chinese Government today. Most countries in the world have detailed legal stipulations on martial law, which has been generally applied in China, in foreign countries, in ancient times, and in the contemporary international community. [passage omitted]

Dear listeners: I would like to point out that U.S. Constitution regards martial law an element of sovereignty. In the 1930's when the United States was in economic crisis, state governors in the United States frequently declared martial law. Garrison troops were moved into the martial law areas in 27 states in 1934 and in 35 states in 1935 to enforce martial law. This being the case, what are the grounds for the U.S. Government to comment here and there and rudely interfere in the affairs within the sovereignty of the Chinese Government? Does this not violate the spirit of the U.S. Constitution? [passage omitted]

After the Kuomintang arrived in Taiwan in 1949, martial law was immediately enforced on the island. It remained in force for 38 years, until 1987. This is the longest imposition of martial law in history and in the world. Although the Taiwan authorities have lifted martial law and nullified the relevant law, they still retain the Provisions for Mobilization During the Period of Communist Rebellion.

Dear listeners: Today the motherland's government enforces martial law in Lhasa and parts of Beijing purely for the purpose of safeguarding the stability of the country, for national unity and unification, for ensuring social stability, and for protecting the people's legal rights and interests, as well as for personal safety from illegal infringements. In terms of origin, object, purpose, and nature, this martial law is fundamentally different from the martial law enforced by the Chinese governments on various occasions in the past or by the authorities on Taiwan. [passage omitted]

In socialist New China, the broad masses are the masters of the state, who enjoy wide ranging democracy and freedom on the basis of the legal system. [passage omitted] Even the rights and freedom of citizens in the martial law areas are not restricted or affected. They are given a more reliable guarantee instead. This also makes it possible to strike effectively and severely at the bad elements who jeopardize social order.

The order in Lhasa and Beijing has returned to normal on the whole. The people go to work, engage in production and study, and go sightseeing as they normally do. In Beijing, with the exception of a very few important organs and departments which are accessible only after going through certain procedures according to the established provisions, other places remain the same as usual. Not long ago, Taiwan's first group of teachers coming to the mainland to visit relatives and sightsee toured the Palace Museum, Tiananmen, and other places of interest. They even posed for photos with fighters of the martial law troops at Tiananmen Square.

In summary, in the motherland, as long as you do not interfere with other people's freedom or harm the legal rights and interests of the state, the collective, and other people, your rights and freedoms are completely guaranteed and will not be affected by the enforcement of martial law.

PRC Pilot Defects; Lands MiG-19 on Quemoy

HK0609092689 Hong Kong AFP in English
0916 GMT 6 Sep 89

[Text] Taipei, Sept 6 (AFP)—Chinese Air Force pilot Jiang Wenhao landed his Chinese MiG-19 jet fighter on Taiwan's Quemoy island Wednesday in a defection attempt, the Taiwanese military have confirmed.

The 24-year-old native of Loshan, in China's southwestern Sichuan Province, is a first Lieutenant in China's airforce, the military spokesman's office said.

Lt. Jiang took off from the Longxi air base in China's southeastern Fujian Province in the Jian-6 (MiG-19) numbered 40307 and landed safely in Quemoy's Shang Yi Airbase, just off the mainland coast, the office said in a statement.

The pilot was serving in the 145th Regiment of the 49th Division of China's Air Force, the statement added.

(In Beijing, a Chinese Foreign Ministry official took note of a question about the apparent defection bid but declined to comment.)

The military spokesman's office said the pilot is under the protection of the Quemoy defense unit but did not give further details.

Observers said this was the first time a mainland aircraft had landed in Quemoy, a Nationalist Chinese military base some 45 miles (75 kilometers) across from Fujian Province and 227 miles (379 kilometers) off Taiwan's western coast.

Six mainland pilots have flown warplanes to Taiwan to defect since 1960. The last case involved a MiG-19 flown to Ching Chuan Kang airbase in central Taiwan in November 1987 by pilot Liu Zhiyuan.

Six other Chinese planes had landed in South Korea in defection bids.

Mr. Liu, also from China's Longxi airbase, was commissioned as a major in the Nationalist Chinese airforce in the following month and given 5,000 taels (6,650 ounces) of gold worth 2.87 million U.S. dollars as a reward for his defection.

Taiwan slashed gold rewards to defecting Chinese military pilots by an average of 64.6 per cent a year ago to quell public discontent at the practice, in use since 1958, which some said offered the wrong incentives for defection.

A MiG-19 defecting pilot is now offered 2,000 taels (2,660 ounces) of gold, worth 860,000 U.S. dollars at current market prices. The highest reward of 8,000 taels (10,640 ounces) goes to a defecting MiG-23 pilot.

Guatemala's President Cerezo Continues Visit

Hosts Reception for Li Huan, Others

OW0409010189 Taipei CNA in English
1545 GMT 3 Sep 89

[Text] Taipei, Sept. 3 (CNA)—Visiting Guatemalan President Marco Vinicio Cerezo Arevalo hosted a Sunday evening reception at the Grand Hotel in Taipei in honor of the Republic of China Government and civic leaders in gratitude for the warm hospitality the ROC Government and people extended to him and his entourage.

ROC President Li Teng-hui attended reception.

Others invited to the party included Premier Li Huan; Judicial Yuan President Lin Yang-kang; Liang Su-jung, vice president of the Legislative Yuan; Foreign Minister Lien Chan; James Soong, secretary general of the Kuomintang's Central Committee; and members of the diplomatic corps in Taipei.

President Cerezo and President Li Teng-hui led all of the invited guests in a toast to stronger and more deeply rooted ROC-Guatemalan friendship and ties.

Guatemalan President Cerezo will conclude his six-day official visit to the ROC Monday.

Decorates Li Huan

OW0409005089 Taipei CNA in English
1541 GMT 3 Sep 89

[Text] Taipei, Sept. 3 (CNA)—Visiting Guatemalan President Marco Vinicio Cerezo Arevalo on behalf of the Guatemalan Government Sunday conferred the Order of Quetzal with [word indistinct] Grade on both Premier Li Huan and Vice Foreign Minister Charles Shu-chi Chin of the Republic of China in recognition of their contributions to promoting friendship between the ROC and Guatemala.

The presentation ceremony was held at the Grand Hotel in Taipei Sunday evening.

Earlier in the day, the Guatemalan chief of state, on a six-day state visit to the ROC, met with Premier Li for an exchange of views on ROC-Guatemalan mutual ties.

During the ceremony, President Cerezo said that Premier Li is a sincere friend of Guatemala and that he has spared no efforts to promote friendly ties between the two countries.

Cerezo, eulogizing Vice Foreign Minister Chin as an unswerving friend to his country, spoke highly of his contributions to strengthening ROC-Guatemalan ties.

The ROC premier presented Guatemalan President Cerezo and his entourage each a souvenir. In return, President Cerezo presented Premier Li a Guatemalan oil painting.

The presentation was witnessed by Vice Premier and Mrs. Shih Chi-yang; Gen. Wego Chiang, secretary general of the National Security Council; Foreign Minister and Mrs. Lien Chan; Secretary-General of KMT Central Committee James Soong and Mrs. Soong; and Guatemalan Ambassador to the ROC Rolando Chinchilla Aguilar.

Later in the evening, the ROC premier hosted a dinner party in honor of Cerezo and his entourage.

Joint Communiqué Issued

*OW0409122489 Taipei CNA in English
1021 GMT 4 Sep 89*

[Text] Taipei, Sept. 4 (CNA)—The presidents of the Republic of China and the Republic of Guatemala jointly denounced terrorists and drug-pushers as "two major pollutions of the world" Monday.

In a joint communiqué they signed before Guatemalan President Marco Vinicio Cerezo Arevalo concluded his six-day visit here, the two heads of state reiterated their determination to promote world peace and international co-prosperity.

President Cerezo and President Li Teng-hui signed on the communiqué in Taipei Monday morning. The Guatemalan presidential entourage left for home in the afternoon.

The communiqué said the world countries should respect each other's national sovereignty, respect their people's freedom of choice, and refrain from interfering with domestic affairs of other countries.

Every country's foreign policy should also be governed by the principles of peaceful solutions to disputes, not invading others' territories, and respecting the sovereignty of natural resources of individual countries, said the communiqué.

Cerezo and Li expressed concern over armaments and international disputes which might aggravate tension in the world.

They also "strongly denounced" all terrorist actions and planting and pushing of drugs, saying the two are "major pollutions of the world."

The two presidents pointed out that peace efforts reaffirmed by five Central American presidents in three recent summits to promote mutual respect and peaceful co-existence are "extremely important."

The ROC and Guatemalan Presidents said they were satisfied with the successful development of bilateral ties, reaffirming their resolute determination to continue and strengthen various cooperative programs between the two nations.

Their joint review of implementation of various treaties and accords between the two countries concluded that these bilateral agreements have formed a broad base for

them to consolidate their respective democratic development, according to the communiqué.

President Cerezo thanked President Li for the ROC's financial, agricultural, industrial and technological assistances to Guatemala. The two said these cooperative projects should continue.

The two heads of state also expressed satisfaction over increasing exchanges of visits by government officials which have successfully promoted economic cooperation between the two countries.

They agreed that such exchanges and economic cooperation should continue in order to boost mutual friendship and benefit their peoples.

Recognizing cultural and sports exchanges' contribution to consolidating bilateral friendship and promoting peace, the two presidents agreed to strengthen the exchanges by increasing invitations and quota for scholarships.

Cerezo in the meantime cordially invited President Li to visit Guatemala. The latter accepted the invitation with great pleasure, and asked their staffs to arrange the details.

During his stay here, Cerezo has been warmly and courteously welcomed and treated. He has also been conferred an order of the highest honor to a civilian leader. Before his departure, he gave a press conference to talk about his visit.

Press Conference Held

*OW0409110389 Taipei CNA in English
0942 GMT 4 Sep 89*

[Text] Taipei, Sept. 4 (CNA)—Guatemalan President Marco Vinicio Cerezo Arevalo said Monday he sincerely thanks the "noble and great people of the Republic of China" for their warm friendship and hearty welcome accorded him during his six-day visit here.

The Guatemalan president told a pre-departure press conference that friendship between the peoples of the two countries is "extremely important," because Sino-Guatemalan relations are not only those between the two governments.

"It is the long-standing, historical friendship between our peoples that has enabled our two countries to stand closely together and to cooperate well," he said.

Terming his state visit "successful and satisfactory," Cerezo said he has achieved both economic and political purposes and become even more confident that by cooperating with each other both countries will do well in their democratic development.

After exchanging views with the ROC Government and civilian leaders, Cerezo said he has learned of the problems a country might encounter in the process of its political and economic development.

What is even more precious, President Cerezo said, "I have also learned solutions to these problems and I am confident that our two countries have stepped on a right path toward enriching our nations and serving our peoples."

After witnessing the fast development in the ROC, Cerezo said he has reached concrete agreements with ROC leaders on furthering their cooperation in economic and technological development.

"Politically, I believe with the encouragement from a cordial and good friend like the Republic of China, Guatemala will have a bright future in its democratic development," Cerezo said.

Introducing the investment environment in his country, Cerezo said the Guatemalan Government has designed incentive measures to encourage foreign investment.

Guatemala offers such advantages as high savings ratio, industrious labor force, and proximity to major trade markets which might be of interest to ROC investors, he pointed out.

Asked to specify what industries offer most favorable conditions to foreign investment, the president said tourism, agricultural products processing, and advanced technology industries may interest ROC investors.

Tourism will help promote other industries like construction, and agricultural and industrial technology transfers will bring higher added values to Guatemalan products, he noted.

Guatemala's tourism industry is given priority because tourism attractions are endowed not only with natural beauty but also historical richness, the president said.

During his discussion with government leaders here, he said both countries have reached concrete agreements on agricultural, trade, sports and cultural exchanges.

The ROC agreed to provide low-interest loans and agricultural technology to small and medium-sized farming projects to help elevate Guatemala's agricultural productivity, Cerezo said.

Asked about his future career, the Guatemalan head of state said it is something to be considered one and a half years from now. But he disclosed that he may vie for the post of speaker of the Central American congress.

Minister Outlines Activist Policy Toward Europe

*OW0409012989 Taipei CNA in English
1607 GMT 3 Sep 89*

[Text] Chiang Kai-shek Airport, Sept. 3 (CNA)—As Western Europe is scheduled to become a single market in 1992, the Republic of China will adopt a more active economic and trade policy toward Europe, Economics Minister Chen Li-an announced Sunday.

The Ministry of Economic Affairs, Chen said, is considering the feasibility of jointly developing integrated circuits, telecommunications equipment, aircraft, environmental protection technology and multi-national enterprises management with Europe.

Minister Chen made his announcement at the Chiang Kai-shek International Airport at the end of a 17-day visit to Europe.

His visit, Chen said, aimed at improving understanding between the ROC and Western Europe so that the ROC can better cope with the anticipated challenges of Europe's [word indistinct] market.

During his stay in Europe, he met with over 10 ranking French, West German, Dutch, Belgian, and Austrian economic and financial officials.

"We exchanged opinions on ways to promote economic and trade cooperation between the ROC and Europe," the minister said.

The ROC's growing economic power, Chen revealed, has so deeply impressed the Europeans that they believed both GATT (General Agreement on Tariffs and Trade) and OECD (Organization for Economic Cooperation and Development) should admit the ROC as a full member.

The ROC Government currently plans to establish more trade investment promotion centers in Europe in order to cement the links.

Two Taiwan trade centers have already been set up in Dusseldorf, West Germany and Rotterdam, the Netherlands, during the past year.

In order to protect the interests and rights of local enterprises that have invested in Europe, Chen said the Economics Ministry would coordinate efforts with other government agencies to complete provisional clearance and [words indistinct] to guarantee agreements with European countries.

The minister also denied reports that he would visit Eastern European countries with which the ROC still does not have any official contacts in spite of growing economic ties.

The ROC Government, in line with its market diversification policy, has in recent years lifted its ban on direct trade with Eastern Europe.

He also used the occasion to [word indistinct] local businessmen to pay more attention to Western Europe rather than Eastern Europe because of the limited consumption capacity of Eastern European countries.

Rumor on Saudi Arabia Breaking Ties Denied

*OW0409094389 Taipei International Service
in English 0200 GMT 27 Aug 89*

[Text] Rumors circulated again on the Taiwan stock exchange on Saturday [26 August] asserting that Saudi Arabia has broken diplomatic relations with the ROC [Republic of China].

The Foreign Affairs Ministry stated on Saturday that the rumor is irresponsible. Foreign Affairs Ministry spokesman Chen Yu-chu said that Saudi Arabia has many times restated the friendly relations it has with the ROC and that proves there is no such situation of the Saudis breaking ties with the ROC.

As far as the business office that Saudi Arabia has established in Peking is concerned, Chen said the Saudis have stressed that it has no bearing on Saudi Arabia's deep friendship with the ROC.

PRC Student Reportedly Heads for Latin America

*OW0409023789 Taipei Domestic Service in Mandarin
2300 GMT 2 Sep 89*

[Text] Following a wedding ceremony yesterday [2 September] to marry his girlfriend Sun Hsiu-chuan, Yang Po, a Chinese Communist student who had studied in Japan and then sought asylum in our embassy in Korea, left Korea for a third country with a passport issued by the Republic of China. The so-called third country is an anticommunist one that maintains diplomatic relations with both the Republic of China and the Republic of Korea. To our knowledge, this country is in Latin America.

According to an official from the Ministry of Foreign Affairs, the name of the third country will not be disclosed before Yang Po's arrival at his destination for safety reasons. Yang Po left Seoul at 1500 for San Francisco on United Airlines Flight No 808. From San Francisco, he will take a connecting flight to a third country in Latin America. His problem has finally been resolved.

Hong Kong

PRC Official Gives 'Warning' To UK on 1997

HK0609012389 Hong Kong SOUTH CHINA
MORNING POST in English 6 Sep 89 p 1

[By Charles Lewis]

[Text] A senior Chinese official has fired another volley in the escalating war of words between Beijing and London by warning Britain to stop meddling in the post 1997 affairs of Hong Kong.

Mr Lu Ping, deputy director of the State Council's Hong Kong and Macao Affairs Office, said issues affecting the territory after the handover were internal matters that had nothing to do with Britain.

"We would not like to see Britain openly talk about matters concerning Hong Kong after 1997.

"If Britain has any good ideas about the future of Hong Kong, it should convey them through the proper channels," he said.

He warned that Beijing was prepared to defend its sovereignty claims over Hong Kong if Britain continued to make public statements about issues affecting the future of the territory.

He also reiterated China's right to station People's Liberation Army (PLA) troops in the territory which was not a matter of negotiation with Britain.

"What qualifications do they (the British Government) have to negotiate the issue with us?"

Mr Lu said the deployment of Chinese troops in Hong Kong after 1997 was an internal affair. "This has already been settled in the Sino-British Joint Declaration and there is no room for retreat from this stance."

Under the 1984 agreement, China will be responsible for the territory's defence and Hong Kong for internal security after 1997.

Mr Lu, who is also deputy secretary-general of the Hong Kong Basic Law Drafting Committee, is visiting Macao to solicit opinions on the drafting of the Basic Law for Macao which reverts to China in 1999.

Mr Lu's remarks were the latest in a war of words that began in August when senior Hong Kong official, Secretary for General Duties, Mr Barrie Wiggham, said China should postpone the promulgation of the Basic Law and refrain from exercising its right to station PLA troops in the territory after 1997.

Mr Lu declined to be specific about the channels Britain should use to convey its views on the draft Basic Law.

But he said he was not referring to the Sino-British Joint Liaison Group, which was only "responsible for negotiations on matters concerning the transition period".

He added that Hong Kong people should feel free to speak up on the draft Basic Law because they were "Chinese compatriots".

Mr Lu said mainland Basic Law drafters would visit Hong Kong as soon as the "situation in the territory becomes more favourable".

Governor Denies UK Press Report of 'Despair'

HK0309022489 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 3 Sep 89 p 4

[By Dean Nelson]

[Text] The Governor, Sir David Wilson, yesterday denied British newspaper reports that he told Foreign Secretary John Major Hong Kong is "close to despair".

The report in THE INDEPENDENT newspaper said Sir David made his outburst during the first of three meetings with the new Foreign Secretary last week.

But the Governor, who returned to the territory yesterday from a holiday in Britain, told waiting reporters he had not made the remarks.

"I told him we had been through a difficult period in June and July but I also said we were beginning to pick up and that we were determined to recover from it," Sir David said.

The Governor said confidence in Hong Kong was beginning to recover after the damage caused by the Beijing massacre, and he paid tribute to the territory's "resilience".

"I have spent the last three days in long meetings with the Foreign Secretary Mr John Major which has given me the chance to deal with all present concerns in detail and describe to him the problems we have been through," he said.

Sir David said he had raised the nationality issue with Mr Major and pressed him for "a package which would be as generous as possible". But Sir David declined to give details.

Paper Condemns Remarks on Anti-PRC Movement

HK0609034589 Hong Kong TA KUNG PAO
in Chinese 2 Sep 89 p 1

["Special Article" by Lin Yueh-chuan (2651 2588 3123):
"Rebuilding or Damaging the Confidence?"

[Text] Several days ago a local newspaper published a special interview with Hong Kong Government Chief Secretary Sir David entitled "Rebuilding the Confidence—the Present Task of the Hong Kong Government." Sir David talked about the Hong Kong people's confidence, but the views he expressed were not necessarily beneficial to the local people; instead they might be harmful.

Making Trouble on the Mainland Should Not Be Allowed

On the question of the Hong Kong Federation in Support of the Mainland Prodemocracy Movement, Sir David explicitly pointed out: "We do not think that what the federation has done is illegal." So far this has been the formal stand expressed by the Hong Kong Government for the first time concerning this federation. As a responsible official of the Hong Kong Government, Sir David's attitude toward the federation has made it difficult for people to believe what he expressed was cautious or appropriate.

This attitude is by no means beneficial to maintaining normal relations between China and Britain, or between China and Hong Kong. Sir David is very clear that the purpose of the federation is to make trouble on the mainland and to cause trouble for the mainland. Heads of the federation have openly asserted that their long-term purpose is to fight for democracy, freedom, human rights, and rule by law on the mainland; whereas their short-term goal is to overthrow the Beijing "fascist regime." In a "solemn statement" issued by the federation, they called on the Chinese People's Liberation Army to direct their guns at the government. The federation's declaration and actions have undisguisedly indicated its intention to subvert the central people's government and to turn Hong Kong into a base for realizing its political program. Its actual actions since its establishment have also suggested the intention of a small number of responsible persons of the federation. They sent people to Beijing, where they violated the martial law decree; they provided lots of funds and materials for organizations that have been declared illegal by the Chinese Government; during demonstrations and gatherings they organized, they wantonly chanted slogans to undermine the Chinese Government; regardless of what the donors thought, they have used huge funds to assist Chinese fugitives in continuing their activities abroad for the purpose of overthrowing the Chinese Government.

Let us temporarily keep aside the facts that Hong Kong is a part of the Chinese territory and that China will resume the exercise of sovereignty over Hong Kong within 8 years. Britain, which is still responsible for Hong Kong administration, should not have allowed a political organization under its jurisdiction and very nose to carry out subversive activities against another country. One of the Five Principles of Peaceful Coexistence is noninterference in each other's internal affairs, and this has been accepted by the international community. According to the 1965 UN Declaration on Noninterference, the 1970 UN Declaration on International Law, and other international principles, noninterference refers to the following: 1) No country has the right to directly or indirectly interfere in other countries' internal affairs under whatever pretext; 2) no country is allowed to use economic, political, or other methods to force other countries to knuckle under, or to extort benefit from other countries; 3) no country is allowed to organize, help, create, or instigate subversive, terrorist, or

armed activities against other countries, nor is it allowed to instigate or connive riots in other countries; and 4) no country is allowed to prevent other countries from selecting and practicing the political, economic, social, and cultural systems they deem appropriate. These are the basic components of noninterference. Acting against one of these principles constitutes a violation of noninterference principles. According to international principles on noninterference, neither China nor Britain should engage in hostile activities against the other. This is a minimum demand. But what is more, a country should not allow anyone under its jurisdiction to carry out subversive activities against a third country. Chinese leaders have repeatedly stressed that no one is allowed to use Hong Kong as a base of subversion against the central government. This has been a consistent stand of the Chinese Government. Apart from this, the British Government long ago also committed itself on this issue. As early as the mid-1950's, the British charge d'affaires to China sent a return note to the Chinese Ministry of Foreign Affairs saying: "The Government of Her Majesty the Queen has no intention to allow Hong Kong to become a base of hostile activities against anyone." The note added: "If in the future Hong Kong facilities are intentionally abused, the Hong Kong Government has the freedom to handle such abuse by whatever means it deems necessary." This is a principle Britain has observed for years in handling the relations between the mainland and Hong Kong. This principle corresponds to international norms and should be seriously put into effect.

The Hong Kong Federation in Support of the Mainland Prodemocracy Movement is a political organization aimed at overthrowing the Chinese Government. It has engaged in many hostile activities against the Chinese Government and will persist in this effort for a long time. Some of the federation's activities on the mainland have violated the Chinese Constitution and the PRC Criminal Law. Some of its activities in Hong Kong have also violated the international principle of noninterference and run counter to the British Government's commitment. The British and Hong Kong Governments are well aware of this. However, evading the federation's aim of subverting the Chinese Government, Sir David casually touched on the problem by saying that the federation enjoyed freedom of speech and did not violate law, thereby openly conniving at the federation chiefs' attempt to turn Hong Kong into a base of subversion against the Chinese Government. What consequences could this cause to Sino-British friendly relations? Has Sir David not considered this? Moreover, if the federation chiefs continue their subversive activities against the Chinese Government, what consequences will this cause to Hong Kong's stability? Has Sir David not considered this, either?

In addition, not all the federation's activities are permitted by Hong Kong law. But no lawsuit has been filed against these activities because they have been carried out with the connivance of the Hong Kong Government.

Some of its activities on the mainland, including that of bringing money to the Beijing College Student Federation, have been handled by mainland public security departments. Some are being investigated by mainland public security departments. An example is investigating suspects who tried to help mainland fugitives flee the country. The federation's activities on the mainland have violated the Chinese law. Even though the federation chiefs carry out their activities in Hong Kong as British subjects, they should observe basic international norms. How can we say that their activities are legal?

Britain Should Not Shirk the Responsibility for Rebuilding Confidence

Due to various reasons, there actually exists the so-called confidence problem. According to the Sino-British Joint Declaration, the British Government is responsible for maintaining Hong Kong's stability and prosperity and exercising administration during the transitional period. It should have taken effective measures to improve the Hong Kong people's confidence, and not the other way round. These measures include treasuring and preserving the friendly relations between the Chinese and British Governments, building a stable environment, and helping to calm the feelings of the Hong Kong people. No open controversy should be provoked on major issues, as this could ruin the Hong Kong people's confidence. Unfortunately neither British nor Hong Kong Government officials have done so. They unilaterally stopped the Sino-British Joint Liaison Group's activities; several high-ranking officials wantonly interfered in the drafting of the Basic Law; they openly spread comments and proposals that did not correspond to the Joint Declaration; and eventually Sir David openly made remarks to defend the federation's illegal activities. All these could ruin the Hong Kong people's confidence instead of improving it. Is this something a serious and responsible government should do?

Martin Lee Forms First Political Party

HK0309023289 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 3 Sep 89 p 1

[Exclusive by Political Editor Dean Nelson]

[Text] Leading liberal legislators Martin Lee Chu-ming and Jimmy McGregor have joined forces to form what is set to become Hong Kong's first political party.

The new group will be called the Hong Kong Democratic Association [HKDA], and founder members include Dr Leong Che-hung and businessmen Ian Tomlin and Matthew Oram. It is understood that veteran legislator Elsie Tu has been approached and is considering whether to join Lee and McGregor in their new venture.

Sources close to Mr McGregor say the new association will be formally launched within the next few weeks.

Negotiations between Mr McGregor and Martin Lee have been progressing for several months, but sources say Mr Lee finally agreed to become a founding member of the group last week.

Sources close to Mr Lee confirmed he had agreed to become a founding member, but it is understood he will not take the leading role. That will fall to Dr Leong Che-hung who will act as the leading Chinese figure in the new organisation. Sources stressed the new group was to be Chinese-led.

Negotiations with Mr Lee concentrated on issues the new group would focus on. It is understood that Mr McGregor stressed the HKDA should devote all its energies to Hong Kong concerns, and not on the nature of the Chinese Government.

A HKDA source said: "The group will concentrate on Hong Kong and Martin Lee will be expected to do the same. He accepts the conditions and is now willing to be a founding member. We are now waiting for Elsie Tu. We expect her to make a decision next week."

Mr Martin Lee's backroom role is thought to be aimed at avoiding problems with Beijing, and conflicts with other liberal groups the leading legislator has held discussions with.

HKDA sources have not ruled out a leading role for Mr Lee in the future.

It is understood that several members of the business community are providing the initial funds for the new group.

"Other liberals and democrats will be approached. The party will promote the development of democratic government in Hong Kong," said a source.

"Many other Legislative Councillors are known to be at one with the thinking of this group," said an insider, raising speculation that the group would operate as a caucus within Legco. But it is not clear whether the group will fight elections.

Mr McGregor would neither confirm nor deny the establishment of the new organisation yesterday. But sources said his role would be organisational. He has long believed in the need for a liberal party organisation to fight for representative government in Hong Kong.

Founder member Ian Tomlin, who is chairman of the Hong Kong Trade Facilitation Council, confirmed the formation of the group.

"It is very good news that Martin Lee has joined. All the discussions have been about forming a political party. Discussions have been going on for a year," he said.

"There has been a lot of discussion on political development, the idea is that people of like minds who represent Hong Kong, as opposed to the right and left wing groups, get together," he added.

Dr Leong Che-hung also confirmed his membership of the new group. "I will be a founder member of the group. My personal feeling is that if you look at the aims of the group—fighting for democratic government for the future in Hong Kong—that is exactly in line with my own thinking," he said.

It is understood the new group will be a party of business with no labour involvement.

Sources say Martin Lee's involvement in the new group would preclude him from joining and other liberal parties which may be formed.

Until recently he was involved in negotiations to form a liberal party with the three main liberal pressure

groups—Meeting Point, the Hong Kong Affairs Society and the Hong Kong Association for Democracy and People's Livelihood.

But he has been reticent about progress and has said only that he was confident the "party" could be formed by 1991.

Mr Cheung Bing-lueng, senior lecturer of the City Polytechnic's Department of Public & Social Administration, and a vice-chairman of Meeting Point said Mr Lee's involvement with the fledgeling party did not constitute a split in the liberal movement.

"Liberals do not share the same view on very many issues."

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